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Caseload Forecast Council: March 2013 Forecast Overview	March 2013 Caseload Forecast			March Forecast Revision from November Forecast					
	FY13	FY14	FY15	FY13		FY14		FY15	
Education*:				N	(%)	N	(%)	N	(%)
K-12 Basic Education	**995,252**	**1,000,132**	**1,002,743**	**2,031**	**0.2%**	**2,346**	**0.2%**	**1,352**	**0.1%**
Special Education	**135,229**	**136,158**	**137,030**	**197**	**0.1%**	**219**	**0.2%**	**39**	**0.0%**
Bilingual Education	**95,022**	**99,498**	**103,135**	**466**	**0.5%**	**1,879**	**1.9%**	**1,830**	**1.8%**
College Bound Scholarship Program**	**4,282**	**8,136**	**12,134**	**-535**	**-11.1%**	**-13**	**-0.2%**	**-192**	**-1.6%**
Corrections:									
DSHS Juvenile Rehabilitation Services	**547**	**543**	**549**	**-13**	**-2.3%**	**-19**	**-3.4%**	**-16**	**-2.9%**
DOC Inmate	**17,115**	**17,217**	**17,329**	**79**	**0.5%**	**116**	**0.7%**	**116**	**0.7%**
DOC Violator	**449**	**430**	**434**	**14**	**3.2%**	**12**	**2.9%**	**11**	**2.6%**
DOC Contact Required Supervision	**15,323**	**15,067**	**15,127**	**-62**	**-0.4%**	**-61**	**-0.4%**	**-62**	**-0.4%**
Public Assistance:									
TANF	**49,348**	**47,744**	**47,195**	**-927**	**-1.8%**	**-1,759**	**-3.6%**	**-2,116**	**-4.3%**
Working Connections Child Care	**25,206**	**29,290**	**30,612**	**-776**	**-3.0%**	**-1,130**	**-3.7%**	**-1,170**	**-3.7%**
Aged, Blind, Disabled Assistance	**22,108**	**24,155**	**24,956**	**346**	**1.6%**	**1,097**	**4.8%**	**1,345**	**5.7%**
Housing and Essential Needs Support	**3,384**	**3,353**	**3,353**	**262**	**8.4%**	**593**	**21.5%**	**661**	**24.5%**
Children's Services:									
Foster Care	**5,846**	**5,736**	**5,715**	**22**	**0.4%**	**13**	**0.2%**	**13**	**0.2%**
Adoption Support	**14,579**	**15,044**	**15,550**	**-36**	**-0.2%**	**-52**	**-0.3%**	**-52**	**-0.3%**
Medical Assistance:									
Families	**318,431**	**322,724**	**335,237**	**-5,739**	**-1.8%**	**-8,960**	**-2.7%**	**-10,004**	**-2.9%**
CN Family Medical	288,293	292,437	304,542	-5,335	-1.8%	-8,551	-2.8%	-9,572	-3.0%
CN Pregnant Women	29,312	29,391	29,775	-496	-1.7%	-571	-1.9%	-617	-2.0%
Refugee Services	826	896	919	91	12.4%	161	21.9%	184	25.1%
Children	**552,305**	**581,082**	**614,499**	**-894**	**-0.2%**	**-689**	**-0.1%**	**-1,099**	**-0.2%**
CN Other Children	506,222	531,678	560,423	-469	-0.1%	-1	0.0%	-21	0.0%
SCHIP	26,378	30,449	35,492	-83	-0.3%	-38	-0.1%	-138	-0.4%
CHP	19,705	18,955	18,584	-343	-1.7%	-651	-3.3%	-940	-4.8%
Aged, Disabled and Other Medical	**287,032**	**298,168**	**308,332**	**-1,442**	**-0.5%**	**-2,247**	**-0.7%**	**-2,969**	**-1.0%**
CN Aged	65,637	68,011	70,392	556	0.9%	737	1.1%	683	1.0%
CN Blind/Disabled	166,647	173,099	178,500	-1,279	-0.8%	-2,258	-1.3%	-2,971	-1.6%
BCCT	1,031	1,034	1,034	-3	-0.3%	0	0.0%	0	0.0%
MN Aged	4,231	4,199	4,195	0	0.0%	0	0.0%	0	0.0%
MN Blind/Disabled	8,806	8,838	8,838	-402	-4.4%	-402	-4.4%	-402	-4.4%
HWD	1,502	1,497	1,495	-1	-0.1%	0	0.0%	0	0.0%
QMB	23,785	26,049	28,323	9	0.0%	0	0.0%	0	0.0%
AEM	564	623	683	-54	-8.7%	-65	-9.4%	-75	-9.9%
MCS Alien Medical	1,730	1,851	1,894	140	8.8%	261	16.4%	304	19.1%
MCS ADATSA Waiver	4,379	4,398	4,398	-18	-0.4%	0	0.0%	0	0.0%
MCS DL Waiver Medical	8,720	8,568	8,579	-388	-4.3%	-520	-5.7%	-509	-5.6%
Long Term Care:									
Nursing Homes	**10,074**	**10,006**	**9,953**	**56**	**0.6%**	**67**	**0.7%**	**67**	**0.7%**
Home/Community Services	**49,293**	**51,076**	**52,945**	**-270**	**-0.5%**	**-587**	**-1.1%**	**-734**	**-1.4%**
In-Home	35,964	37,356	38,854	-247	-0.7%	-529	-1.4%	-662	-1.7%
Residential	12,455	12,787	13,099	-4	0.0%	-27	-0.2%	-37	-0.3%
Managed Care	874	933	993	-19	-2.1%	-31	-3.2%	-35	-3.4%
Division of Developmental Disabilities:									
Medicaid Personal Care									
Children	**1,937**	**1,838**	**1,813**	**-137**	**-6.6%**	**-247**	**-11.9%**	**-285**	**-13.6%**
Adults	**3,909**	**3,908**	**3,907**	**-43**	**-1.1%**	**-57**	**-1.4%**	**-70**	**-1.8%**
Waiver	**6,798**	**6,806**	**6,824**	**-53**	**-0.8%**	**-47**	**-0.7%**	**-32**	**-0.5%**
Department of Early Learning:									
Early Support for Infants and Toddlers	**5,775**	**6,061**	**6,330**	**-2**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**

*** Education estimates are by school year.**

**** February 2012 was the first CFC forecast of CBSP. Forecast is the number of students enrolled and receiving financial aid from the CBSP in October. The first cohort entered college in the fall of 2012.**

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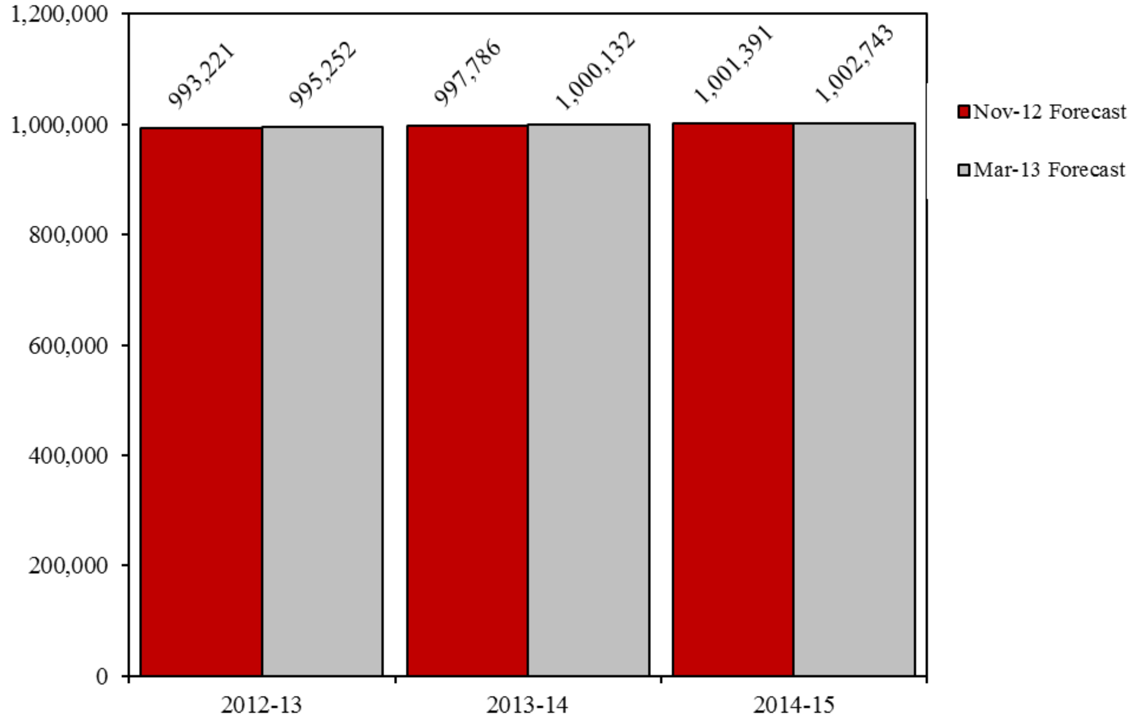
March 2013 Forecast Fiscal Year Growth (change from previous fiscal year)						Caseload Forecast Council: March 2013 Forecast Overview
FY13		FY14		FY15		
N	(%)	N	(%)	N	(%)	**Education*:**
4,830	**0.5%**	**4,880**	**0.5%**	**2,610**	**0.3%**	**K-12 Basic Education**
1,113	**0.8%**	**929**	**0.7%**	**871**	**0.6%**	**Special Education**
6,303	**7.1%**	**4,476**	**4.7%**	**3,637**	**3.7%**	**Bilingual Education**
4,282	**n/a**	**3,854**	**90.0%**	**3,998**	**49.1%**	**College Bound Scholarship Program**
						Corrections:
-20	**-3.5%**	**-3**	**-0.6%**	**6**	**1.1%**	**DSHS Juvenile Rehabilitation Services**
155	**0.9%**	**102**	**0.6%**	**112**	**0.7%**	**DOC Inmate**
-389	**-46.4%**	**-19**	**-4.3%**	**4**	**1.0%**	**DOC Violator**
-841	**-5.2%**	**-257**	**-1.7%**	**60**	**0.4%**	**DOC Contact Required Supervision**
						Public Assistance:
-5,084	**-9.3%**	**-1,604**	**-3.2%**	**-549**	**-1.2%**	**TANF**
-155	**-0.6%**	**4,083**	**16.2%**	**1,322**	**4.5%**	**Working Connections Child Care**
4,156	**23.1%**	**2,047**	**9.3%**	**800**	**3.3%**	**Aged, Blind, Disabled Assistance**
-1,886	**-35.8%**	**-31**	**-0.9%**	**0**	**0.0%**	**Housing and Essential Needs Support**
						Children’s Services:
-146	**-2.4%**	**-110**	**-1.9%**	**-21**	**-0.4%**	**Foster Care**
286	**2.0%**	**465**	**3.2%**	**506**	**3.4%**	**Adoption Support**
						Medical Assistance:
-11,468	**-3.5%**	**4,293**	**1.3%**	**12,513**	**3.9%**	**Families**
-11,674	-3.9%	4,144	1.4%	12,105	4.1%	CN Family Medical
94	0.3%	79	0.3%	384	1.3%	CN Pregnant Women
112	15.6%	70	8.5%	23	2.6%	Refugee Services
18,620	**3.5%**	**28,777**	**5.2%**	**33,417**	**5.8%**	**Children**
19,198	3.9%	25,456	5.0%	28,745	5.4%	CN Other Children
1,226	4.9%	4,070	15.4%	5,043	16.6%	SCHIP
-1,804	-8.4%	-750	-3.8%	-371	-2.0%	CHP
9,534	**3.4%**	**11,136**	**3.9%**	**10,164**	**3.4%**	**Aged, Disabled and Other Medical**
2,727	4.3%	2,374	3.6%	2,381	3.5%	CN Aged
8,117	5.1%	6,452	3.9%	5,401	3.1%	CN Blind/Disabled
-4	-0.4%	3	0.3%	0	0.0%	BCCT
-521	-11.0%	-31	-0.7%	-5	-0.1%	MN Aged
398	4.7%	31	0.4%	0	0.0%	MN Blind/Disabled
-58	-3.7%	-5	-0.3%	-2	-0.1%	HWD
1,808	8.2%	2,264	9.5%	2,274	8.7%	QMB
57	11.2%	59	10.5%	60	9.6%	AEM
148	9.4%	121	7.0%	43	2.3%	MCS Alien Medical
129	3.0%	18	0.4%	0	0.0%	MCS ADATSA Waiver
-3,268	-27.3%	-152	-1.7%	11	0.1%	MCS DL Waiver Medical
						Long Term Care:
-97	**-0.9%**	**-68**	**-0.7%**	**-53**	**-0.5%**	**Nursing Homes**
1,150	**2.4%**	**1,783**	**3.6%**	**1,869**	**3.7%**	**Home/Community Services**
794	2.3%	1,392	3.9%	1,498	4.0%	In-Home
297	2.4%	332	2.7%	312	2.4%	Residential
59	7.2%	59	6.8%	60	6.4%	Managed Care
						Division of Developmental Disabilities:
						Medicaid Personal Care
-235	**-10.8%**	**-99**	**-5.1%**	**-25**	**-1.4%**	**Children**
-81	**-2.0%**	**0**	**0.0%**	**-2**	**0.0%**	**Adults**
-126	**-1.8%**	**8**	**0.1%**	**18**	**0.3%**	**Waiver**
						Department of Early Learning:
287	**5.2%**	**286**	**4.9%**	**269**	**4.4%**	**Early Support for Infants and Toddlers**

K-12 Basic Education

Caseload Forecast Council
March 14, 2013

Basic Education Average Annual Enrollment (FTE)



Forecast Comparisons (School Year Averages)

School Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2012-13	993,221	995,252	2,031	0.2%
2013-14	997,786	1,000,132	2,346	0.2%
2014-15	1,001,391	1,002,743	1,352	0.1%

The K-12 Basic Education forecast is composed of K-12 Basic Education and Running Start enrollments, as well as enrollment generated by the University of Washington Transition Program, summer school, and private and home-schooled students receiving ancillary services from public schools.

- K-12 enrollment is forecast in terms of a ten month (Sep-Jun) average annual Full Time Equivalents (FTEs), where one student taking a full load of classes generates one FTE. Students taking less than a full day of classes (e.g., half-time kindergarten, high school students) generate less than a full FTE.

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- Running Start enrollment includes the FTEs of high school juniors and seniors taking community college classes through the Running Start program. Running Start students taking only classes in community colleges as well as those taking both community college and high school classes. Running Start is forecast as a nine month (Oct-Jun) average annual enrollment.

- K-12 Basic Education includes K12 Enrollment and Running Start.

March Forecast

The March forecast is based on final enrollments for the 2011-12 school year as reported through December 2012, and 2012-13 enrollment reported through January 2013.

The updated estimate of 2012-13 annual average enrollment is 2,031 (0.2 percent) FTEs higher than the November forecast. There are four factors causing this variance:

- Addition of a step adjustment for additional enrollment resulting from HB1418 Dropout Reengagement Programs (increased 2012-13 annual average FTE by 950)
- Upward revision of the month to month survival ratios used to forecast annual enrollment from October enrollment (reflecting actual Sep-Jan 2012-13 ratios)
- Reduced October 2012 enrollment from revised enrollment reporting through January 2013 (lowered October by 756 FTE)
- Revised net migration estimate based on updated employment forecasts (lowers forecasted annual FTE by 222).

November Forecast Tracking

The September to January forecasted and updated actual enrollments are presented below. The negative October variance reflects an adjustment downward of the originally reported October enrollment. The positive variances from November through January reflect a lower than expected attrition of students from the lower updated October enrollment. In other words, while the October enrollment was revised downward, a lower than expected attrition resulted in a positive (actuals higher than forecast) variance in November through January.

Tracking the Current Forecast

	Nov-12 Forecast*	Actual*	Variance	Percent Variance
Sep-12	976,358	976,118	-240	0.0%
Oct-12	999,970	999,214	-756	-0.1%
Nov-12	998,823	999,547	724	0.1%
Dec-12	995,374	997,279	1,905	0.2%
Jan-13	993,426	994,996	1,571	0.2%

*K12 and Running Start FTE

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The March forecast to November forecast variance for 2013-14 and 2014-15 is 2,346 and 1,352 respectively (see Forecast Comparisons table). The variance declines in 2014-15 because by then the lowered estimates for net migration and the October 2012 enrollment begin to outweigh the increased enrollment due to the step adjustment and the higher month to month survival ratios.

HB 1418 Step Adjustment

The March forecast includes a step adjustment for the expected impact of HB 1418 – Dropout Reengagement Program enrollment. Our current estimate of the impact of these programs is shown below. However, these programs are still evolving, many districts have shown interest in running such a program in the future, and depending on funding formulas, the enrollment may end up higher than our current projections.

HB 1418 Dropout Reengagement Program Step Adjustment
(School Year Averages)

HB 1418 Step Adjustment	2012-13	2013-14	2014-15
K12 AAFTE	950	1625	1625

HB 1418 (effective 6/10/2010) created a statutory framework for a statewide dropout reengagement system. These programs are created to provide education and services to older youth who have dropped out of school or are not expected to graduate from high school by the age of 21. Under the system, school districts are authorized but not required to enter into model inter-local agreements with an Educational Service District (ESD), community or technical college, or other public entity to provide a dropout reengagement program for eligible students, or enter into a model contract with a community-based organization. Current authority of school districts to contract for program services is not affected. If a school district does not contract to provide a dropout reengagement program for its resident students, an ESD, community or technical college, other public entity, or community-based organization may petition another school district to enroll those students and contract with the petitioning entity to provide a program.

Dropout reengagement programs must offer at least the following:

- academic instruction, including GED preparation, academic skills, and college and work readiness preparation, that generates high school credit for a diploma and has the goal of academic and work readiness;
- instruction by certified teachers or college instructors whose credentials are established by the college;
- case management, counseling, and resource and referral services; and
- opportunity for qualified students to enroll in college courses tuition-free if the program provider is a college.

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- Students eligible for dropout reengagement programs are those aged 16 to 21 who are so credit deficient that completion of a high school diploma before age 21 is not reasonable, or
- are recommended by social service or juvenile justice system case managers.

Caseload Change

The K12 Basic Education enrollment actually declined for the first time in two decades in 2011-12. This decline was the result of the impact of the policy changes enacted by the legislature that added the month of June to the average annual FTE calculation. June is historically the lowest month in terms of enrollment, and adding it to the average lowers the annual acerage. Prior to 2011-12, AAFTE for grades K-12 was a nine month average of the months September through May. Beginning in 2011-12, AAFTE for grades K-12 changed to a ten month average of the months September through June. Typically, June is the lowest month of enrollment.

Additionally, the decline can be associated with the additional requirements for Alternative Learning Environment (ALE) programs, the 1.20 FTE limitation applied to Running Start enrollment, , a decline in net migration, and private school crossover. The K12 caseload is expected to increase in the by about 4,800 FTEs in both 2012-13 and 2013-14. The forecasted increase in 2014-15 is 2,610 (0.3 percent).

K-12 Average Annual FTE Caseload Change

School Year*	Caseload Change	Percent Change		Caseload
2002-2003	2,278	0.2%	Actual	958,846
2003-2004	3,449	0.4%		962,294
2004-2005	3,951	0.4%		966,246
2005-2006	5,833	0.6%		972,079
2006-2007	1,533	0.2%		973,612
2007-2008	1,928	0.2%		975,540
2008-2009	5,439	0.6%		980,979
2009-2010	7,522	0.8%		988,501
2010-2011	4,285	0.4%		992,786
2011-2012	-2,364	-0.2%		990,422
2012-2013	*4,830*	*0.5%*	*Forecast*	995,252
2013-2014	*4,880*	*0.5%*		1,000,132
2014-2015	*2,610*	*0.3%*		1,002,743

* Change from prior year (K12 + Running Start + Ancillary)

Risks to the Forecast

The risks to the K-12 Basic Education forecast (K-12 and Running Start) are moderate to high, primarily because of the uncertainty of the economic picture and its impact on net migration and transfers from private to public school, potential cuts to the military impacting Joint Base Ft. Lewis/McChord, and the impact of HB1418 Dropout Reengagement Programs. Our current forecast assumes that with higher employment (forecasted by the Economic and Revenue

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Forecast Council), current low rates of migration will rebound, adding about 1,000 additional students per year in the out years of the forecast.

The impacts of economic downturns on migration/crossover are complex and difficult to predict. Depending on the severity of the economic downturn, public school enrollments may decrease as a result of declines in net migration, or increase due to transfers from private to public school. The reverse is true of economic recoveries.

The K12 forecast model includes a component that estimates future migration/crossover from economic variables and prior historical patterns, but the current downturn is unusual in the number of homeowners who are "under water" on their mortgages. Some of these individuals might be expected to relocate under "normal" economic downturns, but there may be less economy-driven migration under current conditions to the extent they are tied down to their under-water mortgages. This introduces an additional element of uncertainty and risk into the forecast.

Adding to the uncertainty is the possibility of re-deployment of Washington based military personnel and their dependents. Not only have troops been brought back from Iraq, but there are now discussions of plans to draw down US troop levels as part of federal budget reductions. Any shifting of military personnel into or out of the state would also impact enrollment.

Finally, it is worth noting that the increase in annual births that began in 2000 stalled in 2009, when for the first time in a decade the number of births in the state declined. State births declined further in 2010. Should this mark the end of the ten year period of increasing annual births, the impact on K-12 enrollment will begin to be felt in six years when the 2009 birth cohort enters first grade. Given the five to six year delay from birth to school enrollment, a continued decline in births will result in a longer term reduction in enrollment growth than any immediate impact.

At this point, the risk to the forecast from economic factors is relatively balanced. If the Washington economy improves, the caseload will probably be higher than forecast. If it declines, it may actually be lower than forecast.

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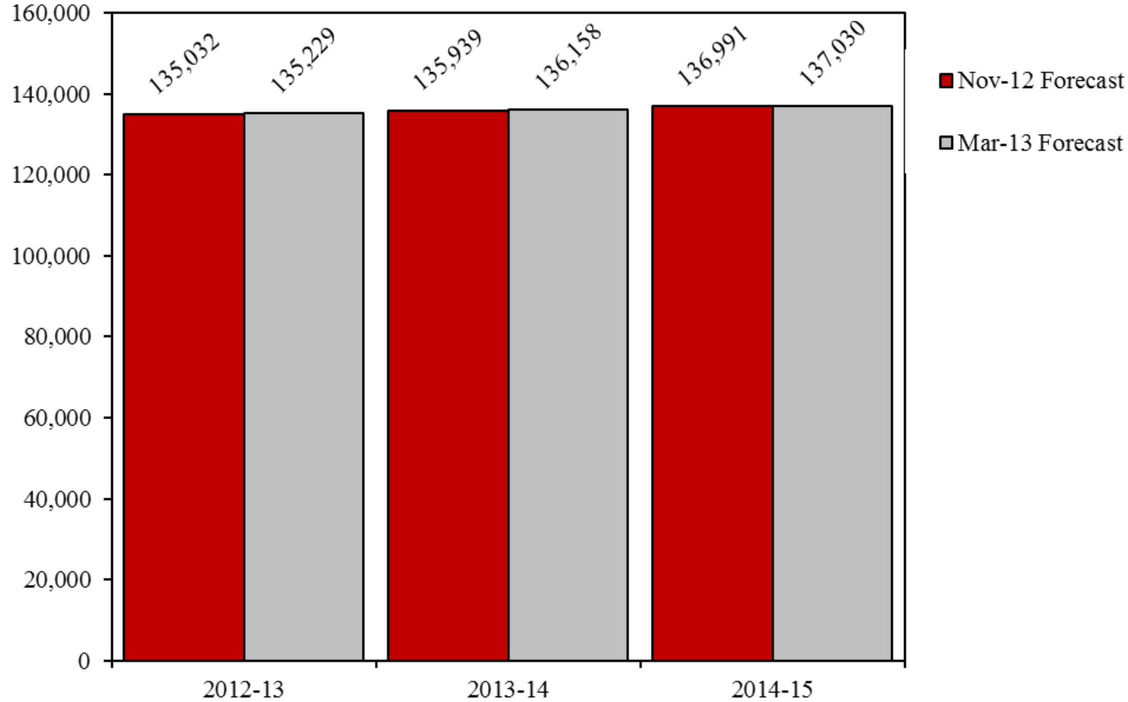
K-12 Special Education

Caseload Forecast Council
March 14, 2013

Special Education Enrollment (HC)
(Age 0-2, Age 3-PreK and State Funded Age K-21)



Forecast Comparisons (School Year Averages)

School Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2012-13	135,032	135,229	197	0.1%
2013-14	135,939	136,158	219	0.2%
2014-15	136,991	137,030	39	0.0%

The Special Education forecast consists of three programs: the Age 0-2 Infant and Toddler program, a separately funded Age 3-PreKindergarten program, and a state-funded Age K-21 school-based Special Education program. Starting with the 2011-12 school year, Special Education enrollment is forecast as a nine month (October-June) average state funded headcount (HC). Prior to 2011-12 it was forecast as an eight month (October – May) annual average.

The Age 0-2 program provides services for developmentally delayed infants and toddlers.

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The Age 3- Pre-Kindergarten (Age 3-PreK) program was established by budget changes enacted during the 2007 legislative session. The funding formula for Special Education students age 3-5 who are not in kindergarten was altered, effective September 2007. Prior to September 2007, these children were included in the Age 3-21 program and counted toward the 12.7 percent state funding target. Starting in September 2007, Special Education services for these children are funded separately, with the Age 3-21 school-based Special Education program becoming the Age K-21 program. The Age 3-PreK Special Education enrollment is expected to continue to grow as a percentage of the Age 3-PreK population.

The Age K-21 program is offered through the state's individual school districts. Basic state funding is indexed to 12.7 percent of each district's total K-12 enrollment. Districts with exceptional needs can apply to the state for additional "safety net" funding. Once a district exceeds the 12.7% funding target, additional Special Education enrollment does not increase the state funded enrollment component. Therefore, in districts at or above 12.7%, the funded component can only grow if district K-12 enrollment increases. As a result, the "State Funded" Age K-21 Special Education enrollment is expected to grow more slowly than the other two components, and in parallel with K-12 enrollment growth.

March Forecast

The March Special Education forecast is based on reported enrollments through January 2013, by district.

The March forecast was raised primarily because the school based Age K-21 program enrollment was revised upward for October, and because the month to month growth in program enrollment was greater than the forecast model, based on 2011-12 growth, predicted.

November Forecast Tracking

The tracking data presented here reflect the difference between the November forecast and the updated enrolment for October through January as reported in January. The tracking data shows that the reported Special Education enrollment through January averaged 823 more than forecasted in November. The Special Education forecast for 2012-13 is 197 higher than the November forecast because the official forecast is for the funded enrollment, while the tracking report includes reported Age K-21 enrollment above the 12.7 percent basic funding target. The enrollment above the funding target is eligible for safety net funding.

Tracking the Current Forecast

	Nov-12 Forecast*	Actual*	Variance	Percent Variance
Oct-12	133,263	133,524	261	0.2%
Nov-12	135,091	136,014	923	0.7%
Dec-12	135,558	136,706	1,148	0.8%
Jan-13	136,371	137,330	959	0.7%

*Reported Age 0-21 headcount (HC) (includes 0-2, 3-K, K-21)

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Caseload Change

Over the past 13 years there have been a number of policy changes impacting the growth of the Special Education caseload, both in absolute terms and as a percentage of K-12 enrollment. Currently, there are three school based special education programs: Age 0-2, Age 3-K and Age K to 21. The Special Education caseload grew 1.7 percent in both 2008-09 and 2009-10. The growth rate increased to 2.0 percent in 2010-11. Growth has slowed since 2010-11; we forecast an average growth rate of 0.7 percent over the next three years.

Special Education Average Annual Funded Caseload Change

School Year*	Caseload Change**	Percent Change		Caseload
2002-2003	754	0.6%	Actual	119,272
2003-2004	615	0.5%		119,887
2004-2005	785	0.7%		120,673
2005-2006	1,005	0.8%		121,678
2006-2007	-66	-0.1%		121,612
2007-2008	4,441	3.7%		126,053
2008-2009	2,127	1.7%		128,180
2009-2010	2,135	1.7%		130,314
2010-2011	2,636	2.0%		132,950
2011-2012	1,166	0.9%		134,116
2012-2013	*1,113*	*0.8%*	*Forecast*	*135,229*
2013-2014	*929*	*0.7%*		*136,158*
2014-2015	*871*	*0.6%*		*137,030*

* Change from prior year

**State funded age 0-21 funding target is 12.7% of total K12 enrollment.

Risks to the Forecast

The risks to the Special Education enrollment forecast appear relatively low.

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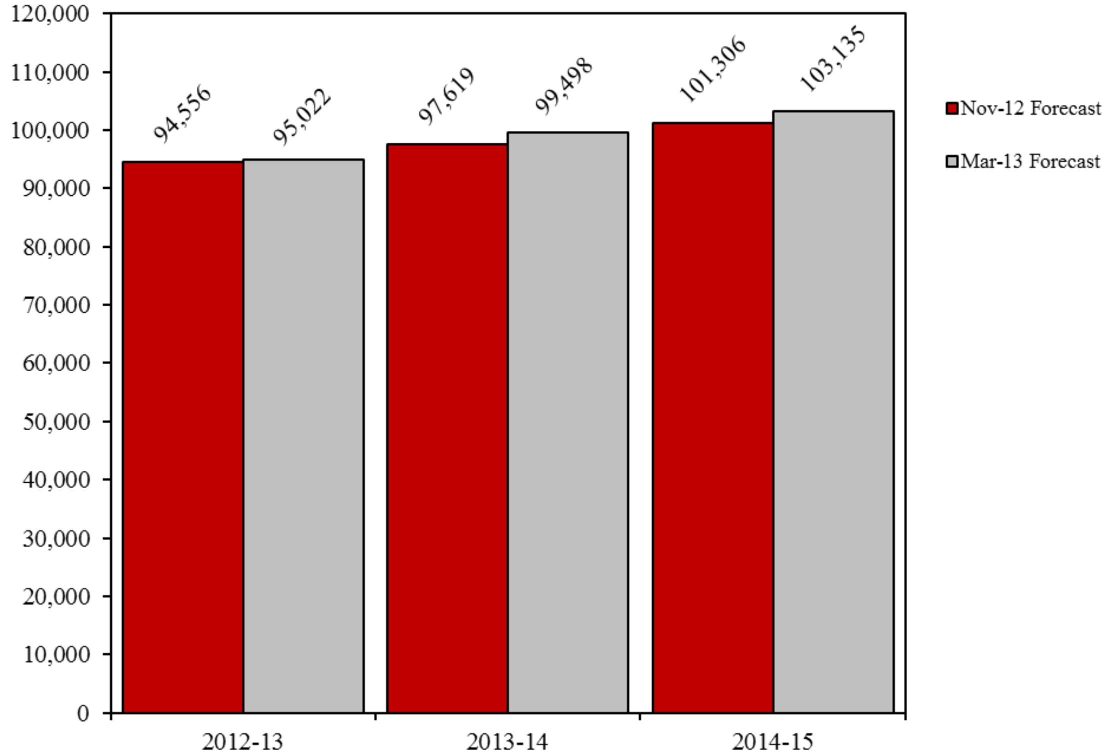
K-12 Bilingual Education

Bilingual Education Enrollment (HC)



Forecast Comparisons (Nine Month Average)

School Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2012-13	94,556	95,022	466	0.5%
2013-14	97,619	99,498	1,879	1.9%
2014-15	101,306	103,135	1,830	1.8%

The Bilingual Education enrollment has historically been forecast in terms of an eight month (October – May) average headcount (HC). Due to changes adopted by the 2012 legislative session, beginning with the 2011-12 school year, the caseload will be measured as a nine month average (October – June). Bilingual enrollment is reported monthly by local school districts.

- Bilingual Education programs vary significantly from district to district. Models include "dual language," "transitional" native language support through the use of "pull-out" instruction in the native language, and English as a Second Language (ESL) models where the emphasis is on English language acquisition. About 57 percent of instruction is provided by teacher aides, as opposed to certificated staff.

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- While Spanish remains the predominant language, 141 foreign languages are represented among the Bilingual Program students.

March Forecast

The March Bilingual Education forecast is based on reported enrollments through January 2013.

The March forecast is significantly higher than the November forecast, both because the October enrollment was revised upward and because the enrollment increased more than expected, based on the 2010-11 month to month pattern.

November Forecast Tracking

The October Bilingual enrollment was revised upward with the January enrollment update. In addition, the growth in enrollment from October to January was greater than forecast based on the growth pattern in 2011-12. The growth pattern used in the March forecast was revised to a “hybrid” model, using the October 2012 – June 2013 pattern and the February through June pattern from 2011-12.

Tracking the Current Forecast

	Nov-12 Forecast*	Actual*	Variance	Percent Variance
Oct-12	93,688	93,820	132	0.1%
Nov-12	94,557	94,819	262	0.3%
Dec-12	94,506	95,125	619	0.7%
Jan-13	94,328	94,856	528	0.6%

* Bilingual program headcount (HC).

Caseload Change

Although still increasing at a faster rate than K12, the state's bilingual enrollment is increasing more slowly now than it was during the last decade. About two thirds of the 7.1 percent growth in 2012-13 is a result of the lowered exit rates following implementation of a new exit/entry test (the Washington English Language Proficiency test or WELPA) in the spring of 2012. Growth rates are expected to be about 4-5 percent in the next biennium

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Bilingual Education Caseload Change

School Year*	Caseload Change	Percent Change		Caseload
2002-2003	3,737	6.0%	Actual	66,258
2003-2004	4,650	7.0%		70,908
2004-2005	4,347	6.1%		75,255
2005-2006	1,461	1.9%		76,716
2006-2007	-211	-0.3%		76,505
2007-2008	4,184	5.5%		80,689
2008-2009	2,225	2.8%		82,915
2009-2010	1,940	2.3%		84,855
2010-2011	5,065	6.0%		89,920
2011-2012	-1,201	-1.3%		88,719
2012-2013	*6,303*	*7.1%*	*Forecast*	*95,022*
2013-2014	*4,476*	*4.7%*		*99,498*
2014-2015	*3,637*	*3.7%*		*103,135*

* Change from prior year

Risks to the Forecast

Bilingual enrollment is sensitive to economic change, changes in immigration enforcement both in Washington and in the rest of the US, and political instability and natural disasters around the world. Changes in any of these areas could impact the Bilingual caseload.

In addition, bilingual enrollment is also extremely sensitive to internal factors such as entry and exit criteria. The new WELPA exam was used as an exit criterion in the spring of 2012 and scores were lower than on the average WLPT-II test administration. The test was also used as an entry criterion for the fall of 2012. Complicating matters is the fact that the WELPA has three "parallel" forms (Forms A, B, and C) which will be rotated for test administration. It may be three years before we have a single comprehensive set of data from administration of all three forms.

Given these considerations, the risk to the forecast appears moderate.

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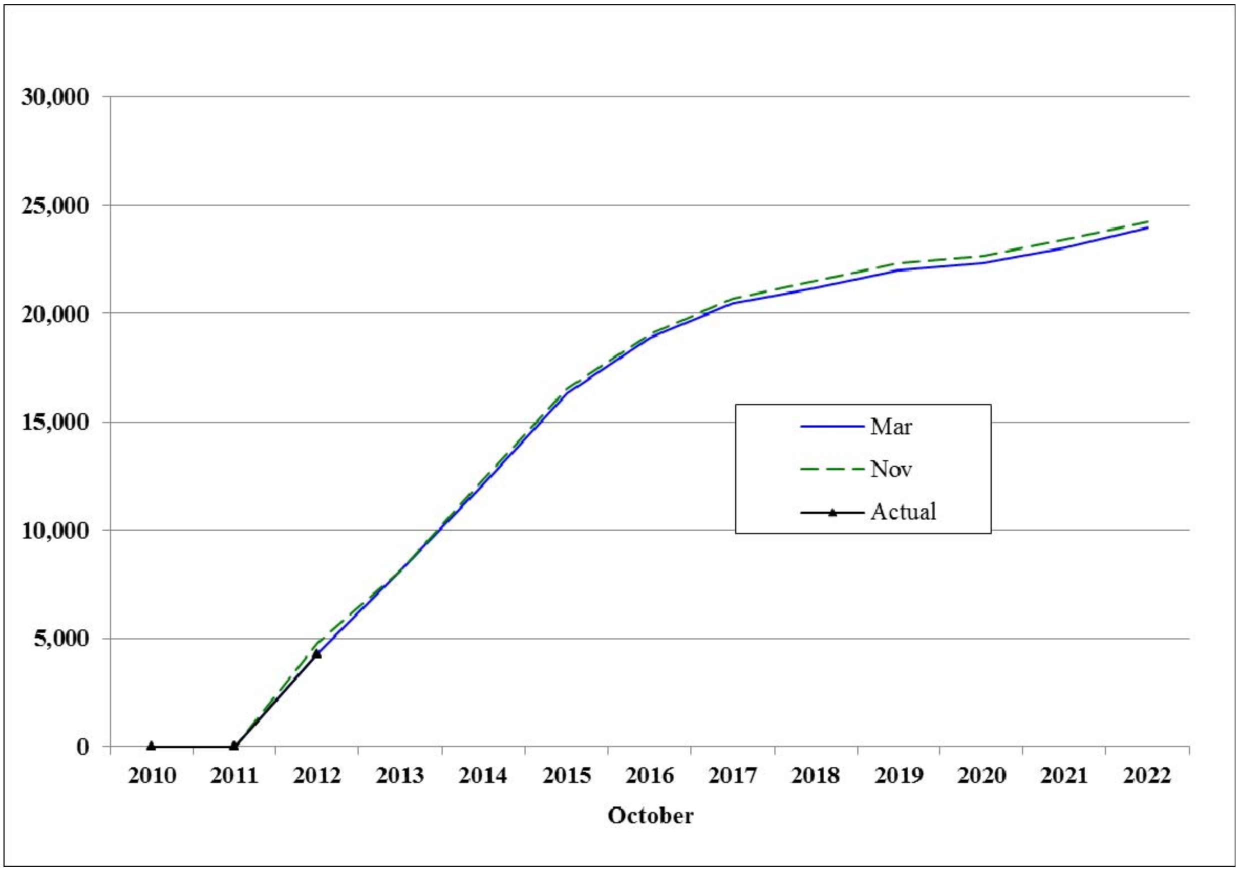
WSAC
College Bound Scholarship Program

Caseload Forecast Council
March 14, 2013

College Bound Scholarship Program
(Forecasted "Funded" October Caseload)



College Bound Scholarship Program

October	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2012	4,817	4,282	-535	-11.1%
2013	8,149	8,136	-13	-0.2%
2014	12,326	12,134	-192	-1.6%

Note: February 2012 was first CFC CBSP forecast

<u>College Bound Scholarship Program</u>

The College Bound Scholarship program (CBSP) encourages low-income, middle school students to choose a path that will lead to educational success after high school. It is a state-funded program administered by the Washington Student Achievement Council (WSAC).

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The program promises four years of tuition (at public institution rates) and book allowances to lower income students who sign up in the 7th or 8th grade, graduate high school with a "C" or better average, avoid a felony conviction and successfully apply to a higher education institution when they graduate. The scholarship must be used within five years of high school graduation.

Students must apply by the end of their 8th grade year, but only need to sign up once. Initial income eligibility is based on eligibility for free or reduced price lunches. Applicants must file a Federal Student Aid (FAFSA) in a timely manner in their senior year of high school. Final income eligibility is contingent on family income below 65 percent of the median family income for Washington as used for state need grant purposes. Depending on income fluctuations, students may only be eligible for a portion of the five year post high school period.

The first five cohorts of eligible students have submitted CBSP applications. The size of the cohorts has increased from an initial 2006-07 cohort of 15,862 students to a 2010-11 cohort of 24,960 students. The increase reflects both an increase in eligible students and the results of increased awareness of the program.

The first CBSP cohort enrolled in college in the fall of 2012 for the 2012-13 academic year. The full fiscal impact of the program will not be felt until the 2016-17 academic year. That will be the first year in which five cohorts will be participating in the program. There will be a "ramp-up" in caseload over the five year period from 2012 through 2016, after which the caseload will level out with caseload growth reflecting changes in the size of new cohorts and variations in persistence (i.e., the percentage of students using their full four years of scholarship over the five years of eligibility).

The 2011 legislature in SB 5304 assigned the Caseload Forecast Council the responsibility of developing a caseload forecast of the program. CFC staff have begun identifying and collecting necessary data to develop the CBSP caseload forecast. Stakeholders have been identified and an initial technical work group was formed to review and provide input on assumptions and data.

The largest challenge facing the development of a CBSP caseload forecast is developing estimates of persistence across the five years of scholarship eligibility. Actual data on five year persistence will not be available until the 2006-07 cohort completes its fifth year of eligibility in 2017. In the interim, we will rely on estimates based on the persistence of other groups of low income students as they pass through their college enrollment, supplemented by actual CBSP persistence rates as future cohorts enter college.

College Bound Scholarship Program Cohorts

The table and chart below present the 7th grade CBSP cohorts as a percent of the 7th grade public school enrollment. They also shows the number of 7th graders meeting the economic eligibility criterion (free or reduced price lunch) as a percentage of 7th grade enrollment. Over the five year period, both the percentage of 7th graders eligible for free and reduced price lunch and the percentage of 7th graders signing up for CBSP has increased. However, as the chart illustrates, CBSP cohorts have increased faster than the growth in FRPL eligible students.

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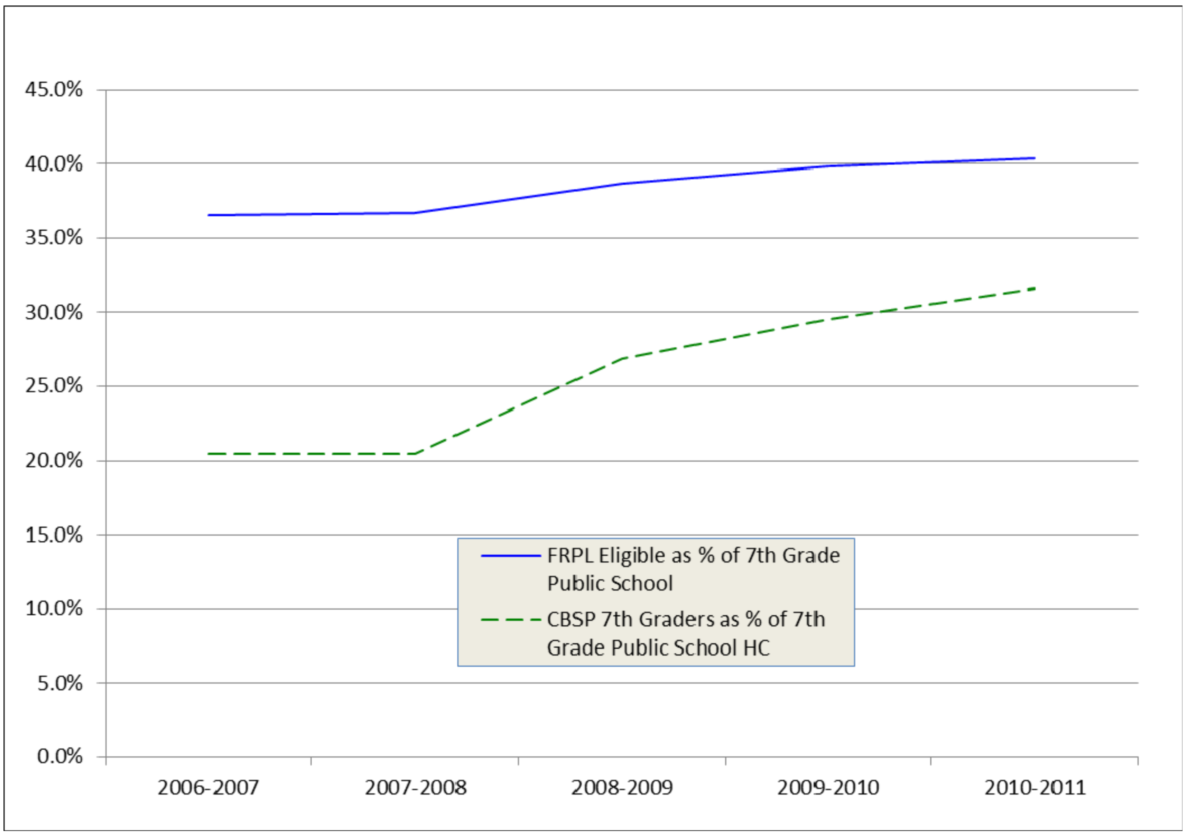
CBSP Cohorts by School Year

CBSP Cohort	7th Grade Public School HC (Oct)	CBSP 7th Grade Eligible HC	FRPL Eligible as % of 7th Grade Public School	CBSP Cohort HC (CB 7th graders)	CBSP 7th Graders as % of 7th Grade Public School HC
2006-2007	77,600	28,335	36.5%	15,862	20.4%
2007-2008	77,864	28,600	36.7%	15,906	20.4%
2008-2009	77,122	29,856	38.7%	20,708	26.9%
2009-2010	78,202	31,158	39.8%	23,116	29.6%
2010-2011	79,042	31,923	40.4%	24,960	31.6%

FRPL Eligible and CBSP Cohorts as Percent of 7th Grade Enrollment



The chart below presents the CBSP cohort size by year (five years actual, six years projected). Annual cohort size is expected to level off by the 2016-17 school year at about 25,000 students per cohort. The actual number per cohort will be a function of 7th grade enrollment, the percentage of students meeting income eligibility, and the percentage of those eligible who actually sign up for CBSP.

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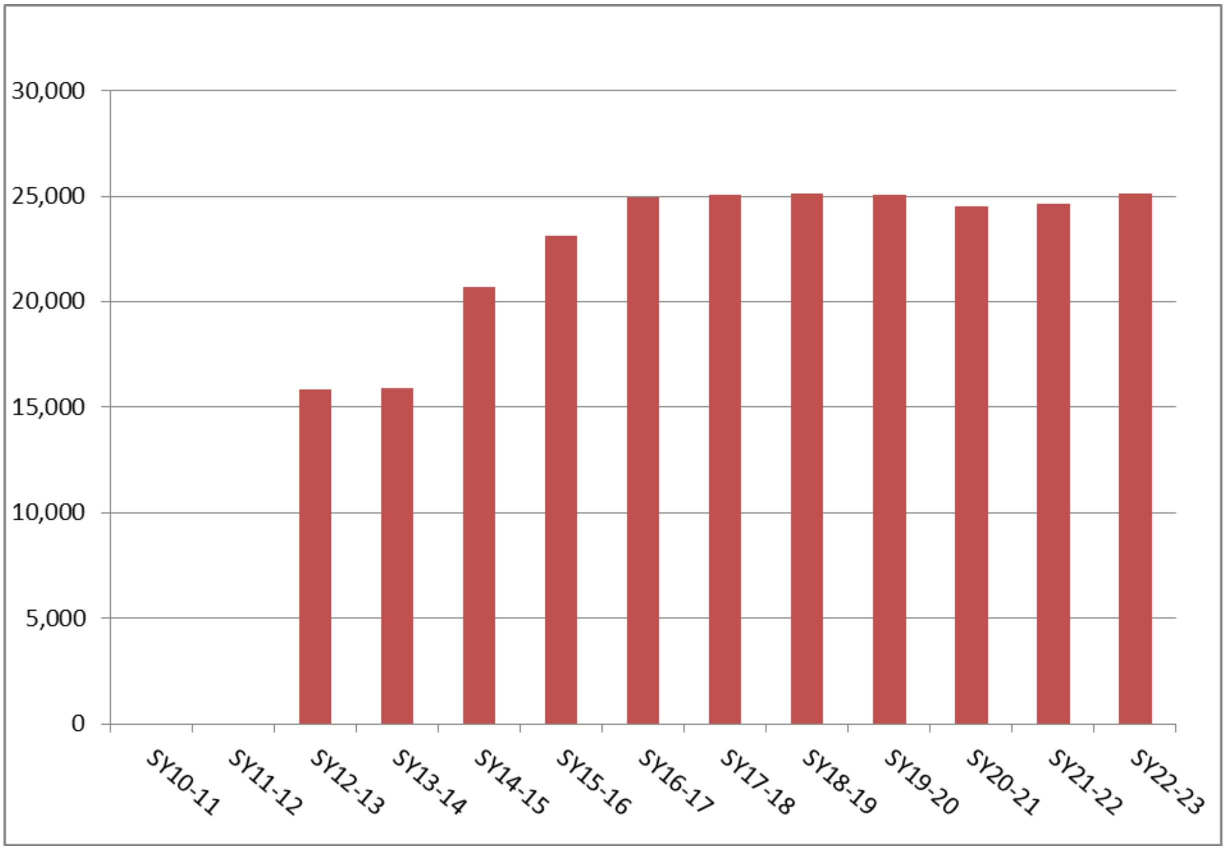
CBSP Cohort at End of 8th Grade



March 2013 CBSP Forecast

The Caseload Forecast Council forecasts the October enrollment of CBSP students enrolled and receiving CBSP funding. A significant number of CBSP students eligible for CBSP funding will not receive funding in a given year because their funding needs have been met by the state need grant programs, scholarships or other aid sources. In October 2012 that number was about 2,600 students. These students are not included in the caseload count.

The March 2013 CBSP forecast utilizes available enrollment data through February 2013 and the estimated October enrollment 4,817, was updated with the actual October 2012 enrollment of 4,282. This is 27.0 percent of the original 7th grade cohort. If funded and non-funded students are combined, the percent of the cohort enrolled in college rises to 43.4 percent.

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The forecast model utilizes assumptions on persistence of cohorts (the percent of the previous year cohort that enroll in the current year) as they pass through the first four years of scholarship eligibility. The November forecast persistence assumptions were developed at the state level (not differentiated by sector). The March forecast persistence assumptions were developed at the sector level (separate persistence assumptions for research universities, comprehensive four year universities, community/technical colleges, etc.). The sector level rates were then weighted by sector enrollment and converted to a single weighted average persistence. The following table presents the original persistence assumptions and the updated assumptions used in the March forecast.

CBSP Forecast Persistence Assumptions

Year	Nov12 FC Persistence assumption	Mar13 FC Weighted Average
Year 2	0.650	0.728
Year 3	0.710	0.525
Year 4	0.880	0.959

As can be seen in the table above, our new persistence assumptions are lower for year 3, but higher for years 2 and 4. The lower figure for year 2 reflects the large proportion of CTC students who exit in two years with a two year degree.

The error in our forecasts is likely to be reduced in time as data on the persistence of actual CBSP students is accumulated over the next four years and is substituted for assumptions based on similar populations.

Caseload Change

The CBSP caseload is expected to grow rapidly over the next four years as the five cohorts move through the five year window of funding eligibility. Growth in the caseload is expected to slow and the caseload should approach growth rates in the underlying population. The actual caseload is sensitive to a variety of variables beyond population including: FRPL eligibility rates, the proportion of those eligible who sign up for CBSP, the cost of higher education and the availability of alternative sources of college funding, and the persistence of those admitted to college under the program will all act together to determine future caseloads.

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CBSP Annual Caseload Change

October CBSP*	Caseload Change	Percent Change		Caseload
2012	4,282	n/a	Actual	4,282
2013	*3,854*	*90.0%*	*Forecast*	*8,136*
2014	*3,998*	*49.1%*		*12,134*

Note: CBSP enrolled in October and receiving CBSP funding.

<u>Risks to the Forecast</u>

Risks to the CBSP forecast are moderate. The two factors posing the largest risk to the forecast are the lack of CBSP historical data on persistence rates and the fluctuations in the availability of other sources of college funding (e.g., State Need Grant) that may affect the number of eligible students actually funded under CBSP. Since most eligible students receive at least some CBSP funding, the lack of historical persistence data is the largest threat to the forecast.

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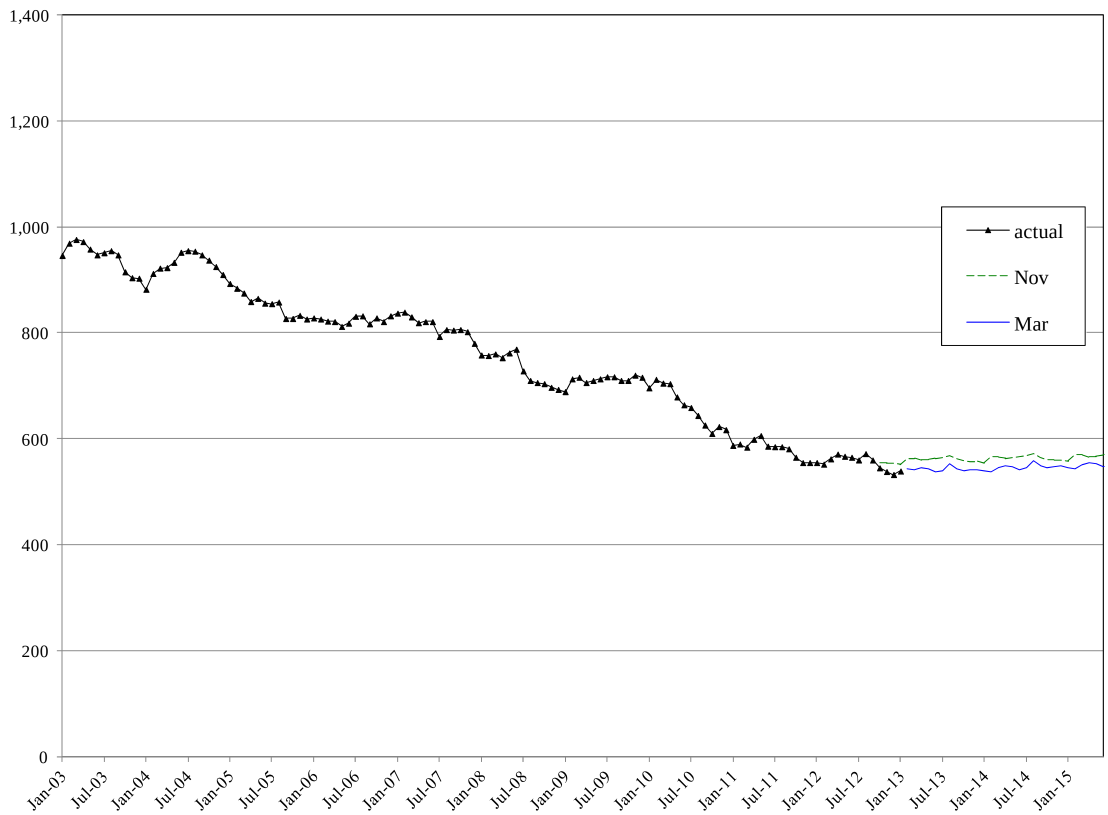
Corrections

Juvenile Rehabilitation Administration (JRA)

Caseload Forecast Council
March 14, 2013



Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	560	547	-13	-2.3%
2014	562	543	-19	-3.4%
2015	565	549	-16	-2.9%

The JRA residential forecast is composed of three components: Regular Admissions, Department of Corrections (DOC) Transfers, and Parole Revocations.

- Regular admissions are youths committed to JRA for new crimes. They usually comprise more than 90 percent of the JRA residential population. The regular admission component of the forecast is driven by assumptions about future crime rates and the at-risk population age 12-17.

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- DOC transfers are youths under age 18 sentenced as adults to the Department of Corrections. If under 18, these youths begin their adult sentences in JRA. The 2010 Legislature adopted budget provisions requiring that such youths with adult sentences extending beyond age 21 be returned to DOC at age 18; the remaining youths serve their entire sentence in JRA.

- JRA parole revocations are JRA parolees returned to confinement for up to 30 days for violating parole.

Tracking the Nov 2012 JRA Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Oct-12	555	545	-10	-1.7%
Nov-12	554	538	-16	-2.9%
Dec-12	554	533	-21	-3.8%
Jan-13	552	539	-13	-2.3%

March Forecast

In the past 12 months the JRA caseload has been relatively flat. There was a temporary increase of the caseload in March, April, and May 2012, due to a change in JRA release policy. In February 2012 JRA shifted over to a new risk assessment tool and froze release dates on the highest risk youth for a few months. These offenders were reviewed to determine if they have reduced their risk and are eligible for release prior to their maximum date. This temporarily increased the JRA caseload beginning in February 2012, but the effect has faded away by the end July 2012. The JRA caseload experienced a decline in the first half of Fiscal Year 2013, which reflects a typical seasonal pattern of this caseload.

The March 2013 forecast is generated by forecasting the three components of this caseload (Regular Admissions, DOC Transfers, and Parole Revocations) separately and then combining them together. The forecast for both DOC Transfers and Parole Revocations are rather flat and are close to the November 2012 forecast. The forecast for Regular Admissions is relatively flat as well, but it is slightly lower than the November 2012 forecast due to recent caseload trend. The change in the forecast of Regular Admissions accounted for the bulk of the difference between the November and the March forecasts.

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Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2002-2003	-141	-12.7%	Actual	969
2003-2004	-44	-4.5%		925
2004-2005	-20	-2.2%		905
2005-2006	-76	-8.4%		829
2006-2007	-2	-0.2%		827
2007-2008	-48	-5.8%		779
2008-2009	-72	-9.3%		707
2009-2010	-3	-0.4%		704
2010-2011	-93	-13.2%		611
2011-2012	-44	-7.3%		567
2012-2013	*-20*	*-3.5%*	*Forecast*	*547*
2013-2014	*-3*	*-0.6%*		*543*
2014-2015	*6*	*1.1%*		*549*

Risks to the Forecast

The JRA caseload has historically been characterized by significant variability both from month to month and over the typical 12-24 month forecast horizon. Monthly forecast variances have typically ranged from one to five percent of the caseload (10-50 residents). Over the long term, the caseload has trended downward. However, the caseload will have to eventually reach a natural floor and cease declining. This caseload has been relatively stable for about two years now with modest decline, often driven by policy changes. The latest forecast is for relative stability in the current and the next Biennium. The risks to this forecast are moderate.

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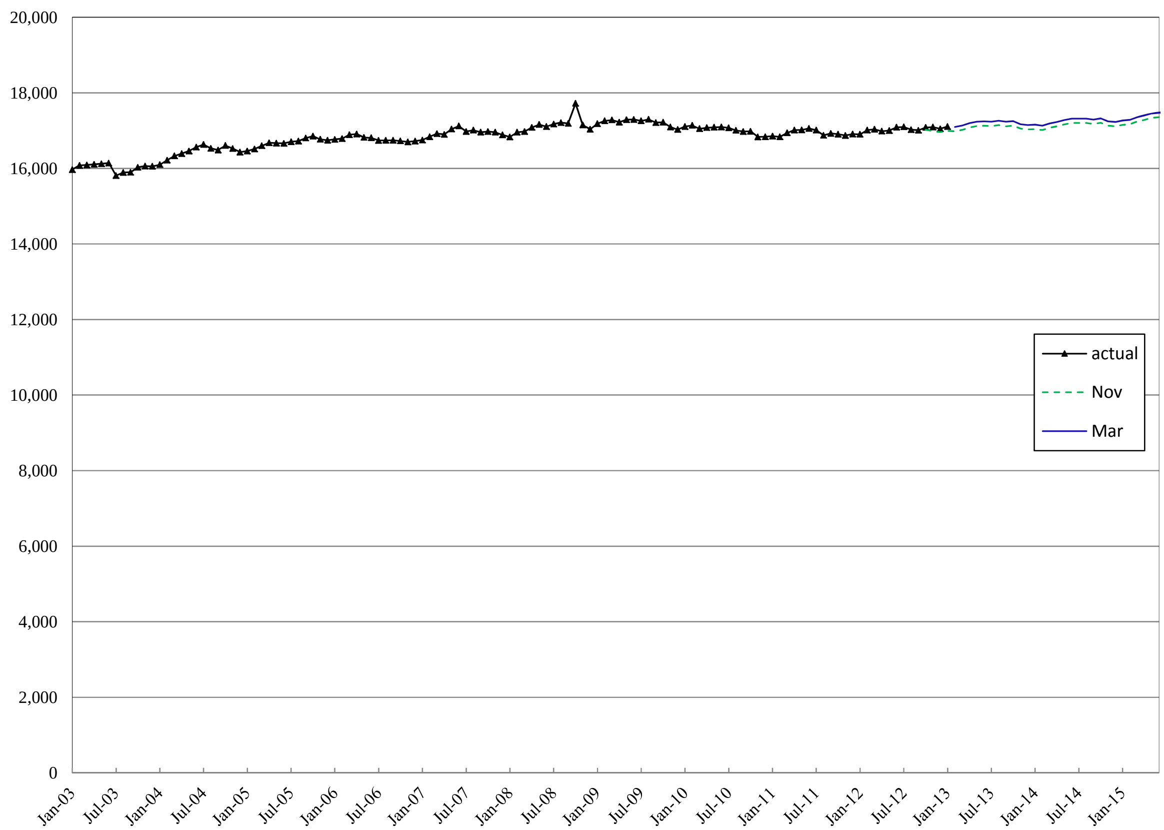
Corrections
Adult Inmate Caseload

Caseload Forecast Council
March 14, 2013



Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	17,036	17,115	79	0.5%
2014	17,101	17,217	116	0.7%
2015	17,214	17,329	116	0.7%

The **Adult Inmate** forecast includes adult offender caseloads under the state's jurisdiction and housed in prisons. The forecast includes the effects of changing demographics, crime rates, prison usage, and policy changes (new legislation or initiatives).

The 2009 and 2011 legislative session passed a number of bills/budget items that have reduced the Department of Corrections (DOC) Adult Inmate caseload. While the inmate caseload was still on an upward trajectory in the early part of 2009, it has since experienced a moderate decline in Fiscal Year 2010 and 2011.

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Tracking the Adult Inmate Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Oct-12	17,023	17,082	59	0.3%
Nov-12	16,987	17,094	107	0.6%
Dec-12	16,958	17,048	90	0.5%
Jan-13	16,992	17,108	116	0.7%

<u>March Forecast</u>
The 2012 legislative session passed 2SHB 2216, which increases punishment for Vehicular Homicide/Assault DUI. It is expected to increase the inmate caseload ADP by about 41 when its full impact materializes.

In the past few years, most of the violent crime (homicide, sex, assault, and robbery) rates in Washington and violent offender admissions at DOC have declined. Non-violent crime (drug, property) rates and non-violent offender admissions have either been stable or had very limited growth. This has contributed to the moderate decline of DOC caseload we witnessed during Fiscal Year 2009-2011. Since Fiscal Year 2011, it appears the inmate caseload has resumed growth, although the growth rate is moderate. During the next few years, we expect the Adult Inmate caseload to grow modestly, with a similar growth rate to the state population growth.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2001-2002	455	3.0%	Actual	15,252
2002-2003	883	5.7%		15,981
2003-2004	392	2.4%		16,150
2004-2005	652	3.9%		16,565
2005-2006	439	2.5%		16,798
2006-2007	30	0.2%		16,828
2007-2008	278	1.5%		16,989
2008-2009	234	1.3%		17,251
2009-2010	-112	-0.7%		17,139
2010-2011	-187	-1.1%		16,952
2011-2012	8	0.0%		16,960
2012-2013	*155*	*0.9%*	Forecast	*17,115*
2013-2014	*102*	*0.6%*		*17,217*
2014-2015	*112*	*0.7%*		*17,329*

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Risk Assessment

The Adult Inmate caseload has been growing consistently for many years before it declined moderately during Fiscal Year 2009-2011. The inmate caseload has resumed growth since then. We expect it to have modest growth during the current and next biennium. The risk to the forecast is moderate.

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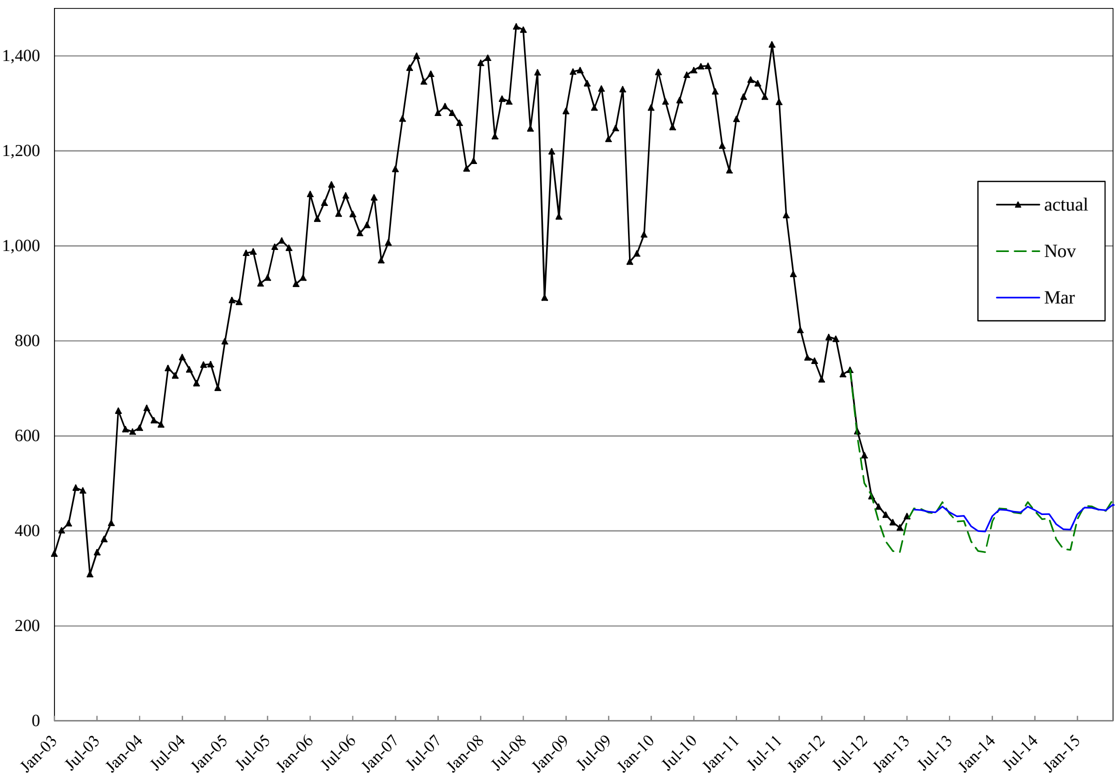
Corrections
Community Custody Violator Caseload

Caseload Forecast Council
March 14, 2013



Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	435	449	14	3.2%
2014	418	430	12	2.9%
2015	423	434	11	2.6%

The **Community Custody Violator** forecast includes adult offenders who are under community custody, violated their supervision conditions, and were sanctioned with confinement. Most of these cases are housed in county jails, but there is a small percentage housed in state prisons.

This caseload experienced substantial growth since 2001, when the Offender Accountability Act was enacted. It climbed from less than 200 in Fiscal Year 2001 to the 1,200-1,400 level in Fiscal Year 2008-2011. Because of legislative actions and practice changes, this caseload has dropped by more than 600 since the start of Fiscal Year 2012.

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The Violator caseload is expected to decline further due to 2E2SSB 6204, which was passed during the 2012 session and provides for a structured community supervision violation process: For an offender's first low-level violation, DOC will impose non-confinement sanctions. For second and subsequent low-level violations, DOC may sanction an offender to not more than three days in confinement. After five violations an offender will require a hearing, but the maximum sanction will be limited to 30 days. This structured process differs from the current practice of up to 60 days of confinement.

Tracking the Violator Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Oct-12	378	434	56	15%
Nov-12	357	418	61	17%
Dec-12	355	407	52	15%
Jan-13	420	431	11	3%

March forecast

This change instituted by 2E2SSB 6204 has already reduced the Violator caseload to close to 400 in the past few months. The March forecast is built on the assumption that this caseload will stabilize at around 430 (Fiscal Year ADP), while accounting for seasonal fluctuations, and state population growth.

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Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2001-2002	455	3.0%	Actual	209
2002-2003	883	5.7%		363
2003-2004	392	2.4%		586
2004-2005	652	3.9%		823
2005-2006	439	2.5%		1,029
2006-2007	148	14.4%		1,178
2007-2008	278	1.5%		1,295
2008-2009	234	1.3%		1,267
2009-2010	-46	-3.6%		1,221
2010-2011	98	8.0%		1,319
2011-2012	-481	-36.4%		839
2012-2013	*-389*	*-46.4%*	*Forecast*	*449*
2013-2014	*-19*	*-4.3%*		*430*
2014-2015	*4*	*1.0%*		*434*

Risk Assessment

The Violator caseload has historically exhibited substantial seasonality and has been sensitive to policy changes, field staffing levels, and staff discretion. Since the implementation of 2E2SSB 6204, this caseload has dropped considerably. However, we learned from the DOC that there are already a limited number of offenders who have been sanctioned five times or more under 2E2SSB 6204. Once an offender has been sanctioned five times, any new sanctions can be up to 30 days, compared with up to 3 day for the 2^{nd} to 5^{th} sanction. And the lengthened sanction time can potentially lead to higher caseload. This is an area that poses the biggest risk to the forecast. The risk to this forecast is elevated.

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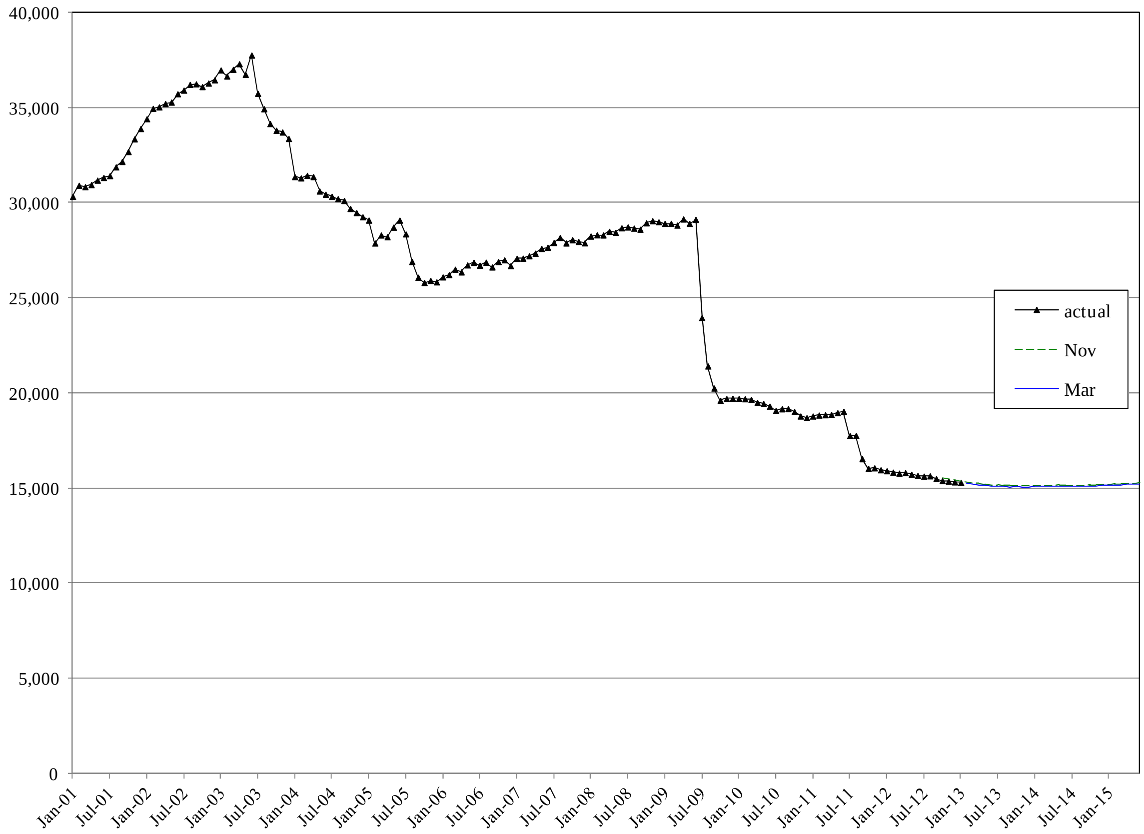
Corrections

Contact-Required Community Supervision Population

Caseload Forecast Council
March 14, 2013



Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	15,385	15,323	-62	-0.4%
2014	15,129	15,067	-61	-0.4%
2015	15,189	15,127	-62	-0.4%

Contact-required cases include adults who have been convicted of a crime(s), who are actively supervised by the Department of Corrections (DOC), and who have requirements to maintain contact with DOC.

ESSB 5288 and SSB 6162, which passed the 2009 legislative session, have substantially reduced the contact-required caseload. These two bills affect the community supervision caseload in two ways: 1) Under these two bills, DOC no longer has authority to supervise certain low risk offenders; and 2) These two bills also reduced the supervision length of some offenders.

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Since implementation, ESSB 5288 and SSB 6162 had reduced the contact-required caseload by about 9,000 cases, or about 30%, by October 2009. Since then, the caseload has been on a gradual downward trajectory until the end of 2010. Since the start of 2011, the supervision caseload has gained some slight growth, until that growth was interrupted in July 2011, when ESSB 5891 was implemented.

Tracking the Current Supervision Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Oct-12	15,500	15,382	-118	-0.8%
Nov-12	15,456	15,357	-99	-0.6%
Dec-12	15,411	15,311	-100	-0.6%
Jan-13	15,366	15,288	-78	-0.5%

March Forecast

ESSB 5891, which passed the 2011 legislative session, has reduced the contact-required caseload by more than 2,000 since being implemented in July 2011. Currently the caseload has a slight downward trend.

We expect this caseload to continue the current slight declining trend in the current Fiscal Year. Furthermore, 2E2SSB 6204, which passed the 2012 session, is expected to reduce the supervision caseload by 213 after the bill reaches its full impact in Fiscal Year 2014. Finally, beyond Fiscal Year 2013, we project that the supervision caseload will grow at a moderate rate because of the state population growth.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2006-2007	591	2.2%		27,057
2007-2008	1,131	4.2%		28,188
2008-2009	707	2.5%		28,894
2009-2010	-8,739	-30.2%		20,155
2010-2011	-1,226	-6.1%		18,929
2011-2012	-2,703	-14.3%		16,226
2012-2013	*-841*	*-5.2%*	*Forecast*	*15,323*
2013-2014	*-257*	*-1.7%*		*15,067*
2014-2015	*60*	*0.4%*		*15,127*

Risk Assessment

Risk to this forecast is moderate. This caseload seems to be in the process of stabilization.

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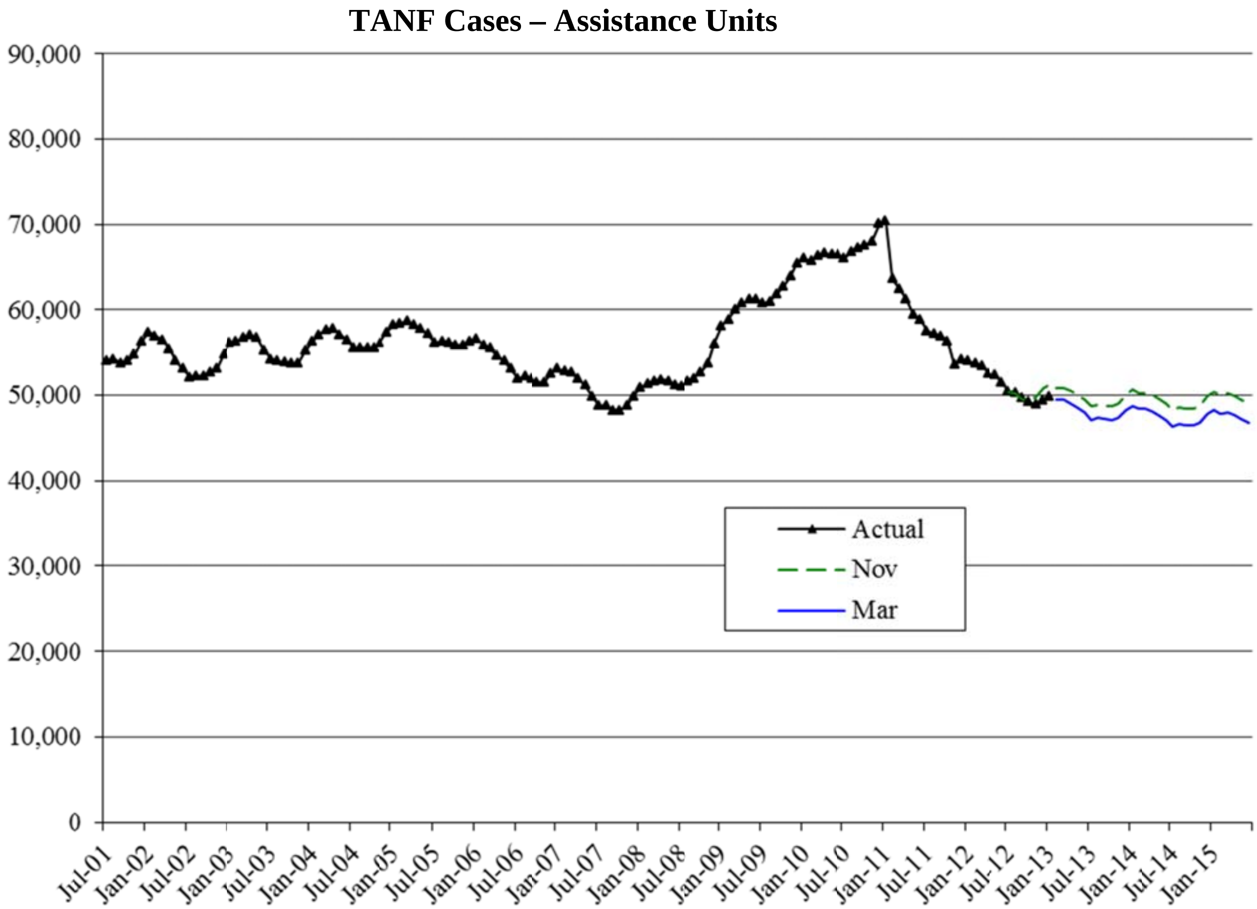
Temporary Assistance for Needy Families (TANF)

Caseload Forecast Council
March 14, 2013



Temporary Assistance for Needy Families (TANF) provides benefits for low-income families with children. These include cash assistance and services that families need to work, look for work, or prepare for work. Approximately 65% of TANF cases include children and their parents, and are called WorkFirst or "All Family" cases. Parents in WorkFirst cases are required to work or participate in work activities unless exempted from work requirements. The remaining 35% of TANF cases are "Child Only" cases in which the parent or guardian does not receive part of the assistance grant and is not subject to work requirements.

Forecasts are prepared for each portion of the caseload, and are added together to produce the TANF forecast. Forecasts for each component will be presented following the description of the combined TANF forecast.

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Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	50,275	49,348	-927	-1.8%
2014	49,503	47,744	-1,759	-3.6%
2015	49,311	47,195	-2,116	-4.3%

November Forecast Tracking

TANF caseloads have fallen behind the November 2012 forecast. By January 2013, the TANF caseload was 1,395 (2.7%) below predictions for that month. The WorkFirst portion of the program averaged 2.3% below its forecast in January 2013. The Child Only portion averaged 3.6% below its forecast. Caseloads fell behind the forecast largely due to lower than expected applications and entry to the program.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	50,280	50,332	52	0.1%
Sep-12	49,488	49,647	159	0.3%
Oct-12	49,410	49,251	-159	-0.3%
Nov-12	49,740	48,885	-855	-1.7%
Dec-12	50,831	49,351	-1,480	-2.9%
Jan-13	51,272	49,877	-1,395	-2.7%

Caseload Change

Recent TANF policy changes including changes to TANF time limits, grant reductions, and ESSB 5921 combined to end TANF caseload growth in FY 2011. Average caseloads declined by 16.4% in FY 2012 and are expected to decline an additional 7.6% in FY 2013. Once the impacts of these policy changes work through the system, caseloads are expected to level off by FY 2015. Currently, there are no step adjustments in the TANF forecasts.

Risks to the Forecast

Risks to the TANF forecast are moderate. Entry rates have been lower and exit rates high since February 2011, when 60 month time limits for adults and 15% payment standard reductions were implemented. Trends did not change as much as expected when work participation requirements were suspended for parents with children under the age of 2 or two children under age 6 under the provisions of ESSB 5921. Suspensions under ESSB 5921 began in July 2011, and are being phased out between July 2012 and June 2013.

The count of WorkFirst cases eligible under ESSB 5921 for the suspension of work participation requirements increased by 4% between June 2011 and February 2012. This did

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not increase WorkFirst caseloads because of the decline in the number of cases with older children which more than offset this growth. The count of suspension eligible cases began to decline in March 2012, and the decline has accelerated since that time. It may be too soon in the re-engagement process to identify long run trends in entries and exits accurately.

TANF Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2002-2003	-402	-0.7%	Actual	54,642
2003-2004	969	1.8%		55,610
2004-2005	1,416	2.5%		57,026
2005-2006	-1,503	-2.6%		55,523
2006-2007	-3,584	-6.5%		51,939
2007-2008	-1,818	-3.5%		50,121
2008-2009	6,340	12.6%		56,461
2009-2010	7,990	14.2%		64,451
2010-2011	689	1.1%		65,139
2011-2012	-10,708	-16.4%		54,432
2012-2013	*-5,084*	*-9.3%*	*Forecast*	*49,348*
2013-2014	*-1,604*	*-3.2%*		*47,744*
2014-2015	*-549*	*-1.2%*		*47,195*

Forecasts of TANF entry rates have been consistently too high over the last six forecast cycles. We are experimenting with a revised forecast model that includes the minimum wage as a factor in TANF entries. As the minimum wage in Washington State increases, fewer households are income-eligible to enter TANF. This could reduce TANF entry rates. The relationship between minimum wage and TANF entry rates is statistically significant and has held up well over the past eight years, controlling for other factors like the Great Recession. We will compare the results of the current model with results from this alternative model to determine whether it will improve the accuracy of predictions. If it does, we may shift to the alternative model during the June 2013 forecast cycle.

The charts that follow show the separate results for the WorkFirst and Child Only components that are combined to produce the TANF forecast.

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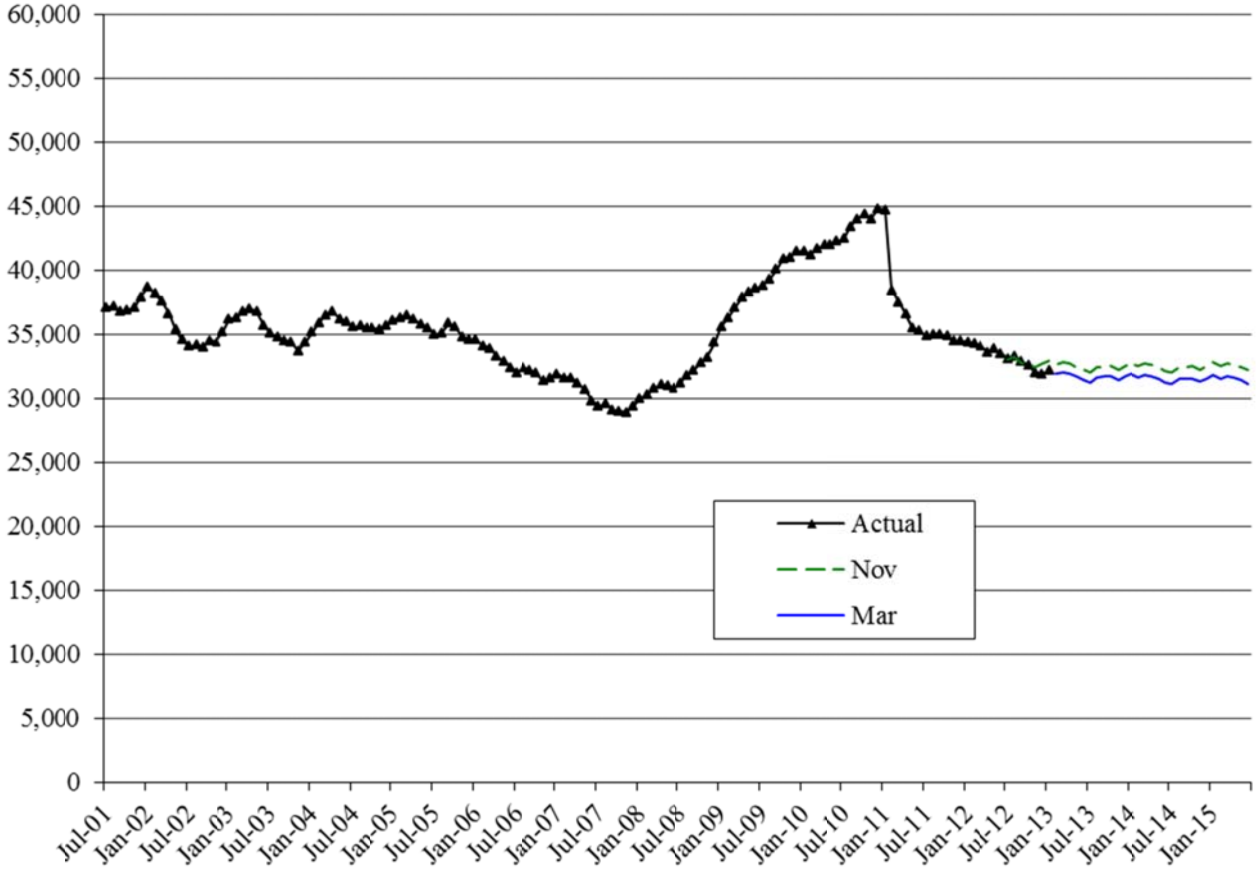
WorkFirst Cases – Assistance Units



WorkFirst Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	32,717	32,241	-475	-1.5%
2014	32,448	31,606	-842	-2.6%
2015	32,463	31,478	-985	-3.0%

Tracking the Current WorkFirst Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	33,238	33,275	37	0.1%
Sep-12	32,691	32,845	154	0.5%
Oct-12	32,709	32,604	-105	-0.3%
Nov-12	32,426	32,009	-417	-1.3%
Dec-12	32,696	31,889	-807	-2.5%
Jan-13	32,916	32,173	-743	-2.3%

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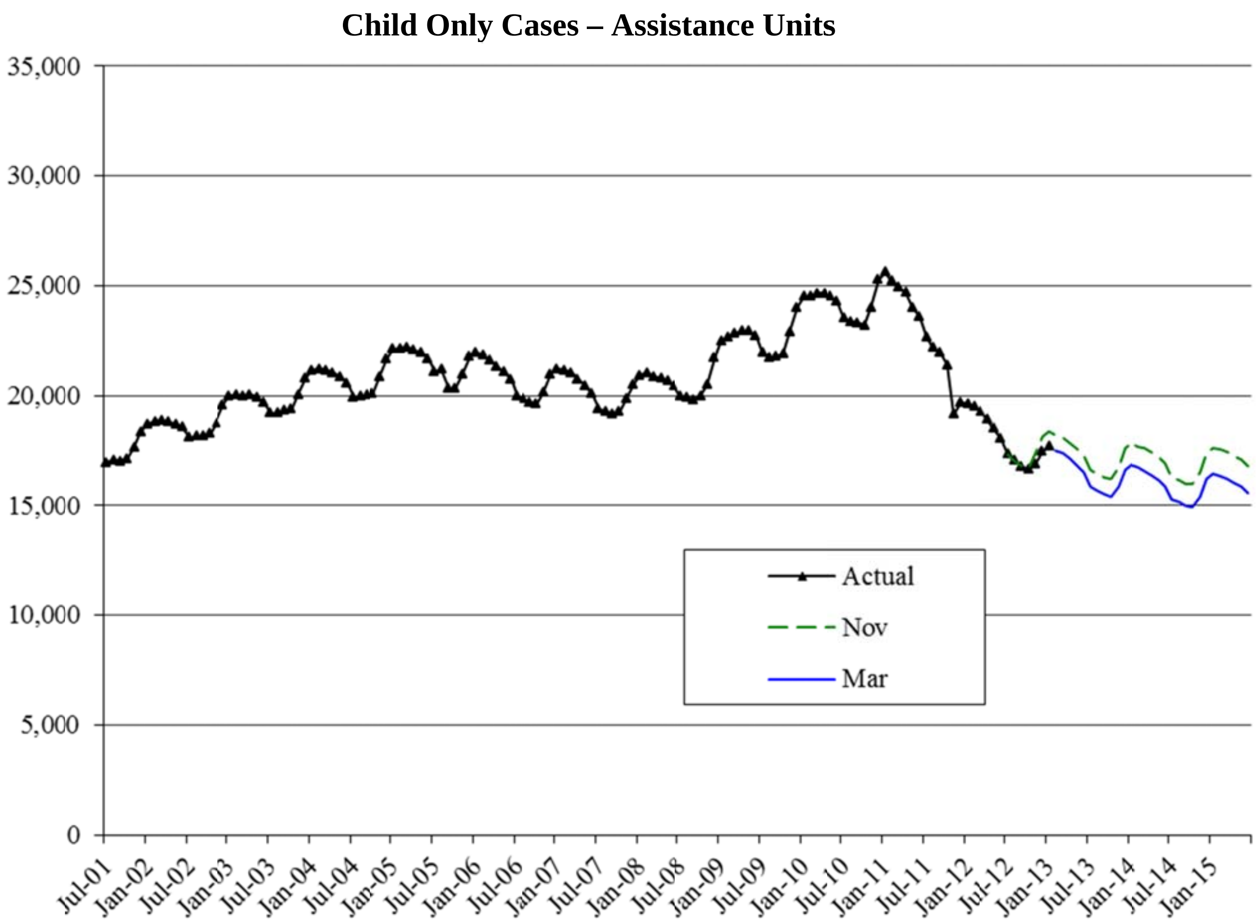

Child Only Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	17,558	17,107	-451	-2.6%
2014	17,055	16,138	-917	-5.4%
2015	16,848	15,717	-1,131	-6.7%

Tracking the Current Child Only Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	17,042	17,057	15	0.1%
May-12	16,797	16,802	5	0.0%
Jun-12	16,701	16,647	-54	-0.3%
Jul-12	17,314	16,876	-438	-2.5%
Aug-12	18,135	17,462	-673	-3.7%
Sep-12	18,356	17,704	-652	-3.6%

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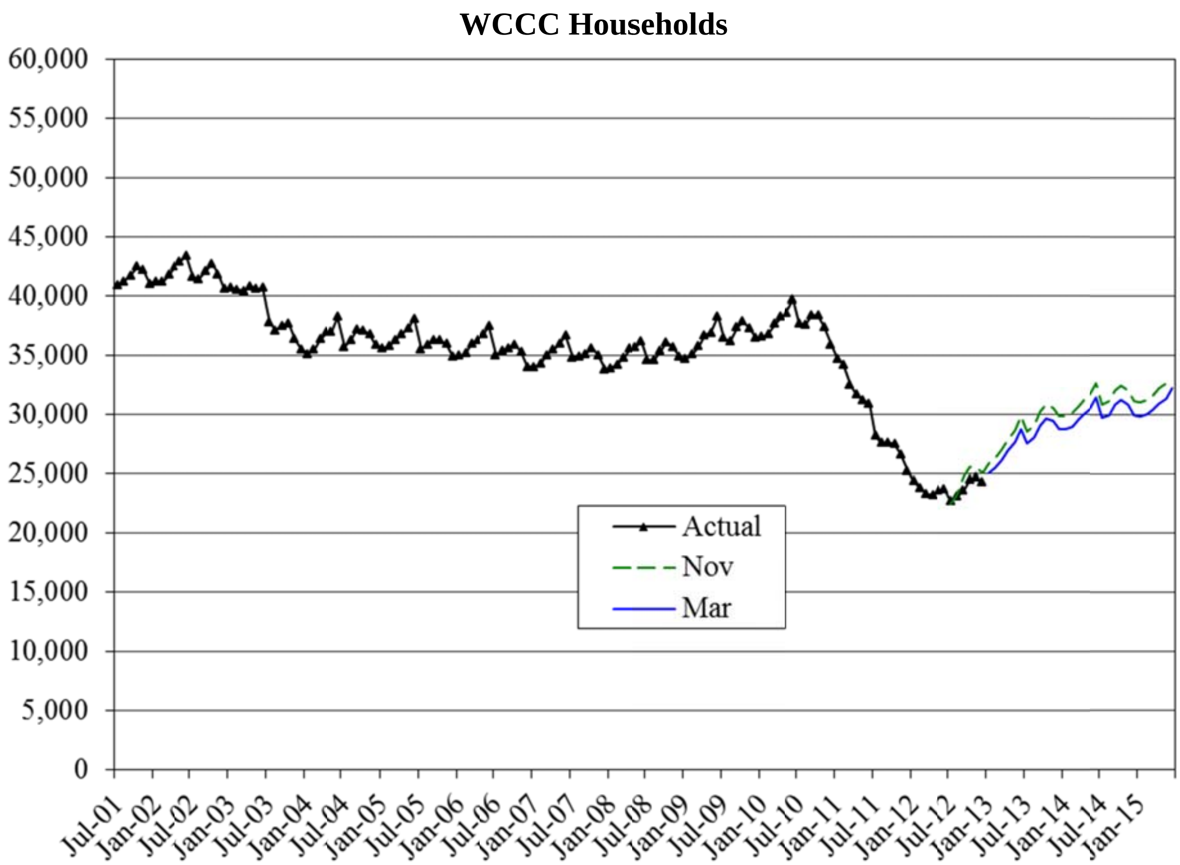
Working Connections Child Care (WCCC)

Caseload Forecast Council
March 14, 2013



Working Connections Child Care (WCCC) helps eligible families pay for child care while they work, attend job training, or participate in educational programs. DSHS Economic Services Administration determines consumer eligibility and administers the subsidy payments. The Department of Early Learning sets policy for the program.

The WCCC caseload is made up of WorkFirst households meeting WorkFirst work participation requirements or receiving Child Only TANF (25%) and (Non-WorkFirst) households that need child care while Non-WorkFirst parents or caretakers work in paid employment (75%). Non-WorkFirst adults may also participate in education or training, as long as they are also working a minimum number of hours per week. Training is time-limited, with limits depending on the parent's age and the type of education or training.

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TANF-related cases are identified by crossmatch to TANF records. Forecasts are prepared for each group, and are added together to produce the WCCC forecast. Forecasts for each component will be presented following the description of the combined WCCC forecast.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	25,982	25,206	-776	-3.0%
2014	30,419	29,290	-1,130	-3.7%
2015	31,781	30,612	-1,170	-3.7%

The WCCC household count is limited to 33,000 for budgetary reasons. However, these forecasts are not expected to reach the 33,000 funding limit.

November Forecast Tracking

WCCC caseloads began to increase in August 2012, but have tracked 3 to 4 percent below the November forecast. Entries did not increase as fast as expected after income eligibility limits were returned to 200% of FPL. Income eligibility had been limited to 175% of FPL between January 2011 and June 2012.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	23,141	23,057	-84	-0.4%
Sep-12	24,741	23,579	-1,162	-4.7%
Oct-12	25,509	24,475	-1,034	-4.1%
Nov-12	25,512	24,668	-844	-3.3%
Dec-12	25,077	24,233	-844	-3.4%

March 2013 Forecast Step Adjustments

The March forecast includes a step adjustment of 425 households to reflect an increase in the length of the WCCC authorizations. The increase took effect in July 2012 and will begin to affect WCCC household counts in January 2013, when authorizations which would have expired after six months continue for another six months. The forecast also includes the impact of restoring income eligibility limits to 200% of FPL beginning in July 2012.

Caseload Change

The changes in trend associated WCCC income limits, caseload limits, waiting lists, requirements for parents to cooperate with child support enforcement, copayment increases, and reductions in use of WCCC by WorkFirst recipients combined to end WCCC growth in FY 2011 and to reduce average caseloads by 6.4% in FY 2011 and 27.6% in FY 2012. Caseloads are expected to begin recovery in FY 2013, growing by 16.2% in FY 2014 and 4.5% in FY 2015.

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WCCC Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2002-2003	-717	-1.7%	Actual	41,125
2003-2004	-4,392	-10.7%		36,733
2004-2005	-185	-0.5%		36,548
2005-2006	-600	-1.6%		35,948
2006-2007	-750	-2.1%		35,198
2007-2008	-257	-0.7%		34,941
2008-2009	758	2.2%		35,699
2009-2010	1,713	4.8%		37,413
2010-2011	-2,385	-6.4%		35,028
2011-2012	-9,667	-27.6%		25,361
2012-2013	*-155*	*-0.6%*	*Forecast*	*25,206*
2013-2014	*4,083*	*16.2%*		*29,290*
2014-2015	*1,322*	*4.5%*		*30,612*

Risks to the Forecast

Risks to the WCCC forecast are high. Prior to eligibility changes in 2010-11, non-TANF related WCCC household counts had been steady and the main variation in use had come from changes in the WorkFirst program. The March forecast predicts that non-TANF use of WCCC will not return to pre-2011 levels. This is based mainly on regression coefficients measuring the change in entries and exits after rule changes. The only restriction on non-TANF cases that remains from 2011 is the increase in copayment levels and it is not clear why non-TANF use should not return closer to 2010 levels.

Forecasts in November 2011, February 2012, and June 2012 consistently predicted caseload upturns that did not occur. We now appear to have hit the turn-around point. It is still quite difficult to predict how high caseloads might go as they return. For example, we have produced an estimate of the impact of lengthening WCCC authorizations to 12 months, but the actual impact of this change might be larger that we have predicted. Impacts will not begin to appear until January 2013, one month after the latest data available for this forecast.

The charts that follow show the separate results for the Non-TANF and WorkFirst components that are combined to produce the WCCC forecast.

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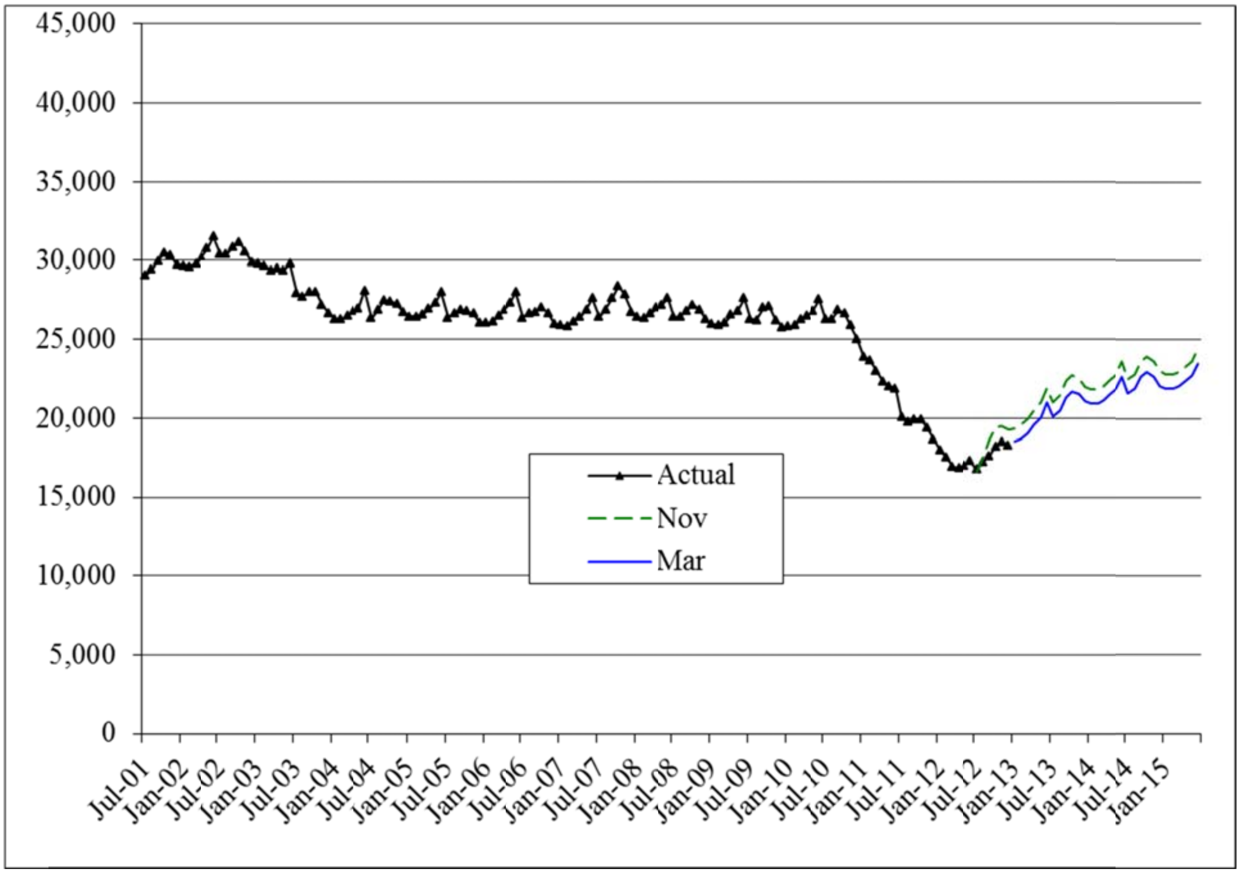
Non-TANF Related WCCC Households



Non-TANF Related WCCC Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	19,432	18,625	-807	-4.2%
2014	22,215	21,275	-940	-4.2%
2015	23,276	22,354	-922	-4.0%

Tracking the Current Non-TANF Related WCCC Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	17,370	17,206	-164	-0.9%
Sep-12	18,717	17,601	-1,116	-6.0%
Oct-12	19,402	18,229	-1,173	-6.0%
Nov-12	19,467	18,507	-960	-4.9%
Dec-12	19,264	18,289	-975	-5.1%

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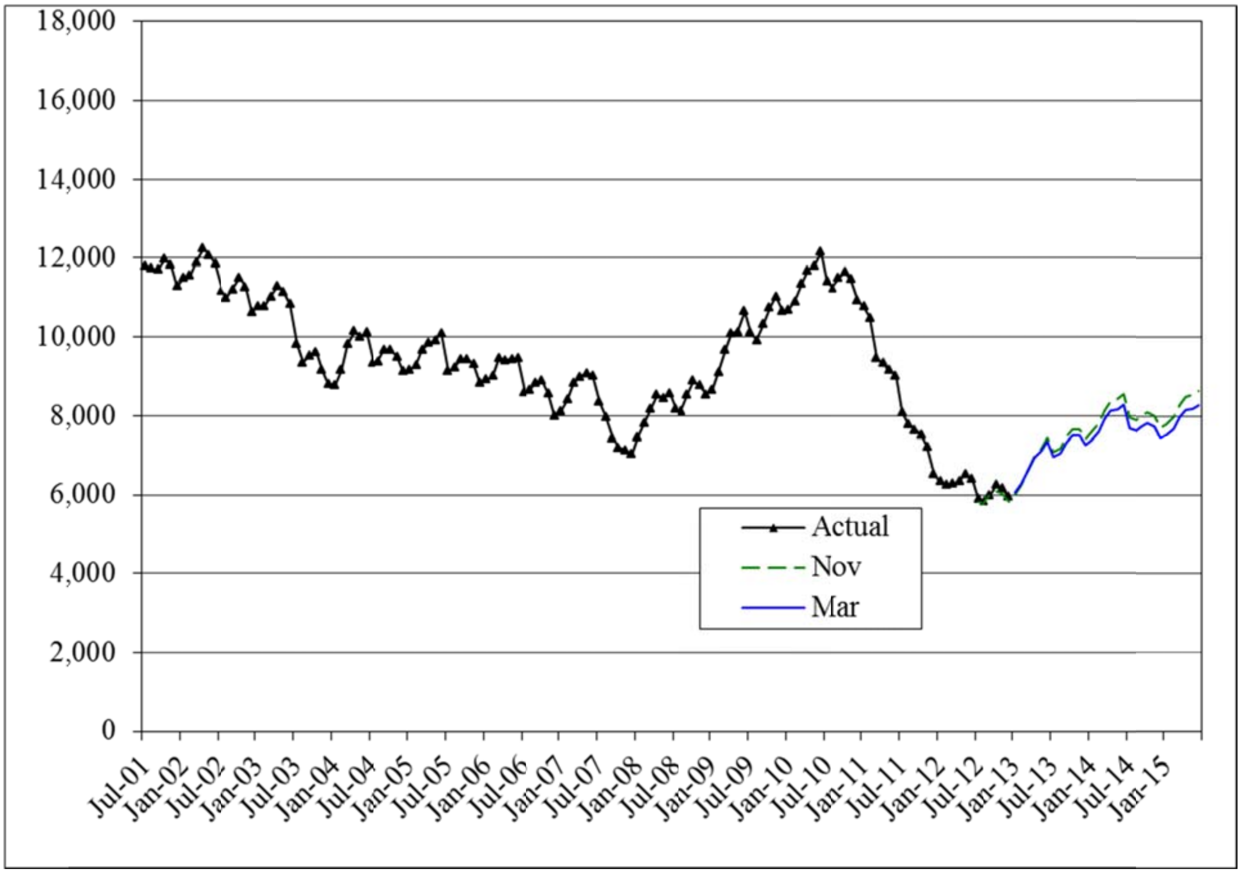
TANF Related WCCC Households



TANF Related WCCC Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	6,336	6,368	32	0.5%
2014	7,779	7,590	-189	-2.4%
2015	8,122	7,833	-289	-3.6%

Tracking the TANF Related WCCC Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	5,771	5,851	80	1.4%
Sep-12	6,024	5,978	-46	-0.8%
Oct-12	6,108	6,246	138	2.3%
Nov-12	6,045	6,161	116	1.9%
Dec-12	5,813	5,944	131	2.2%

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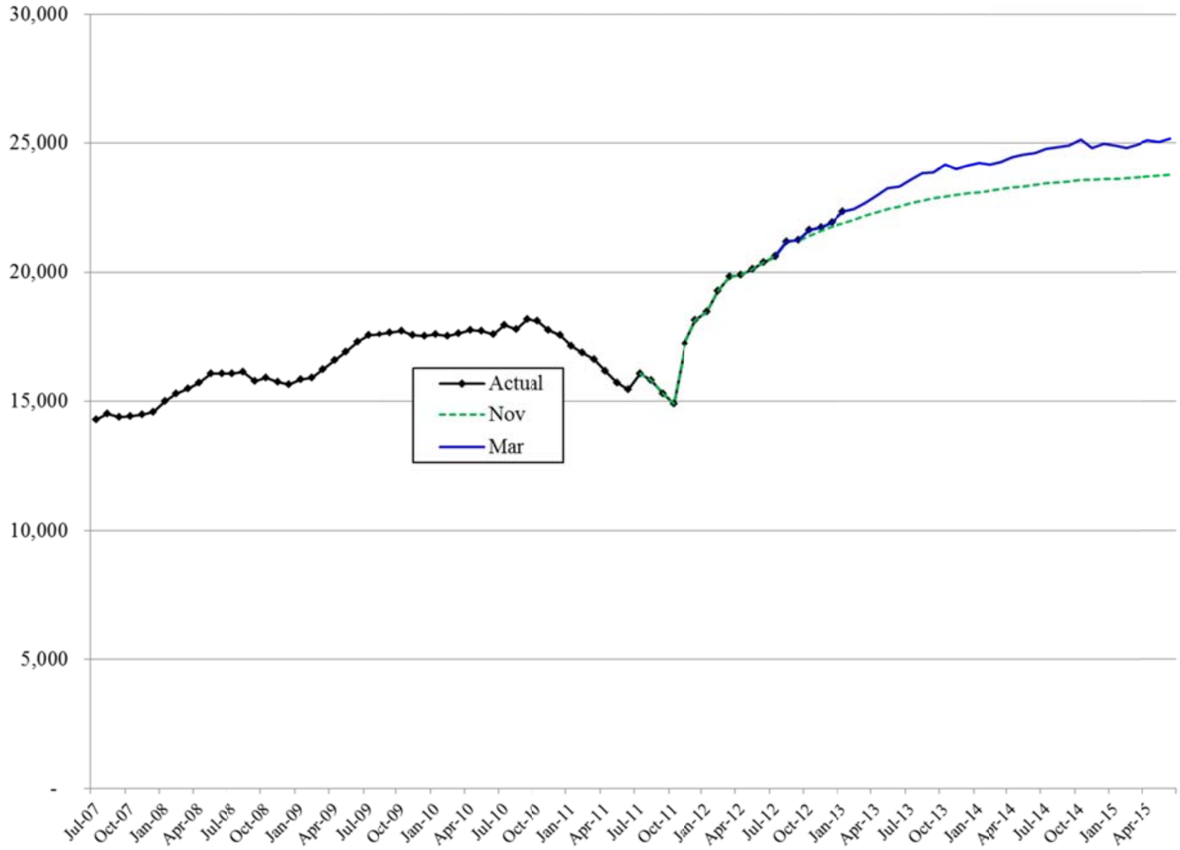
Economic Services Administration
Aged, Blind and Disabled Assistance Grant

Caseload Forecast Council
March 14, 2013

Aged, Blind and Disabled Assistance Grant Program – Total Caseload



The Aged, Blind and Disabled Assistance program (ABD) provides financial assistance to persons whose long-term mental and/or physical disabilities likely qualify them for the federal Supplemental Security Income (SSI) program, regardless of citizenship status. This forecast includes the three components of this program: Presumptive SSI, Aged and Disabled.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	21,762	22,108	346	1.6%
2014	23,058	24,155	1,097	4.8%
2015	23,611	24,956	1,345	5.7%

The March 2013 forecast is 1.6 percent higher for fiscal year 2013, 4.8 percent higher for fiscal year 2014 and 5.7 percent higher for fiscal year 2015 compared to the November forecast.

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November Forecast Tracking

After a brief slowing in growth during the fall, the winter months have brought acceleration in the growth of the ABD program, primarily in the Presumptive SSI component.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	20,637	20,629	-8	0.0%
Aug-12	21,197	21,161	-36	-0.2%
Sep-12	21,213	21,241	28	0.1%
Oct-12	21,413	21,615	202	0.9%
Nov-12	21,585	21,727	142	0.7%
Dec-12	21,743	21,930	188	0.9%
Jan-13	21,888	22,332	444	2.0%

The Presumptive SSI portion of this caseload is exceeding forecast primarily due to a lower exit rate. The typical client on this caseload has historically taken 18-24 months to move onto federal SSI, so the dramatic increase in the caseload that accompanied the November 2011 overhaul of public assistance programs has not yet had time to fully process. Over the next year the exit rate should slowly return to historical norms.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2008	1,161	8.4%		15,016
2009	1,157	7.7%		16,173
2010	1,453	9.0%		17,626
2011	-515	-2.9%		17,111
2012	841	4.9%		17,953
2013	*4,156*	*23.1%*	*Forecast*	*22,108*
2014	*2,047*	*9.3%*		*24,155*
2015	*800*	*3.3%*		*24,956*

As the exit rate returns to normal, the extraordinary caseload growth of the last 15 months should subside, leading to a more typical patterns by fiscal year 2015.

Risks to the Forecast

Risks to the Aged, Blind and Disabled Assistance program forecast are moderate. The forecast still suffers from a lack of relevant historical data; however, risks continue to diminish with additional data and the continuing stability of growth in the caseload.

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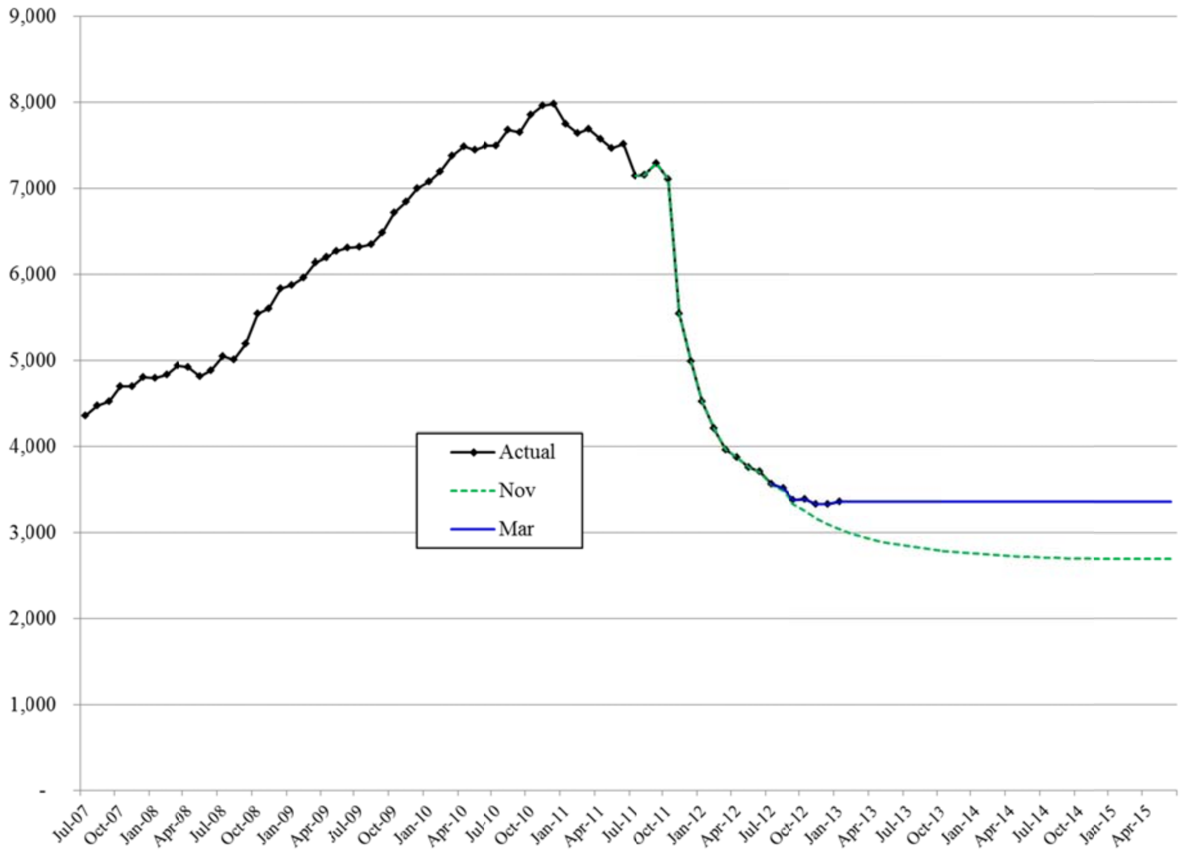
Department of Commerce
Essential Needs and Housing Support
Homeless Portion of MCS Caseload

Caseload Forecast Council
March 14, 2013

Essential Needs and Housing Support Eligible Homeless Count (unofficial courtesy forecast)



The "Essential Needs and Housing Support" (ENHS) program is housed within the Department of Commerce. Individuals who are homeless and receive Medical Care Service (MCS) assistance are eligible to apply for housing assistance from this non-entitlement program. The CFC provides a courtesy forecast of the count of homeless MCS clients.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	3,122	3,384	262	8.4%
2014	2,760	3,353	593	21.5%
2015	2,692	3,353	661	24.5%

The March 2013 forecast is 262 (8.4 percent) higher for FY 2013, 593 (21.5 percent) higher for FY 2014 and 661 (24.5 percent) higher in FY 2015 compared to the November 2012 forecast.

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November Forecast Tracking

In November 2011, the Medical Care Services caseload began a precipitous drop. Because the homeless population in this caseload is a subset of the MCS population, it too has experienced a sharp drop. This decline is likely due to the elimination of the grant previously provided to the DL-U population and has lasted longer than anticipated. Since September 2012 the caseload has leveled off at about 3,350 clients.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	3,551	3,566	15	0.4%
Aug-12	3,484	3,508	24	0.7%
Sep-12	3,326	3,377	50	1.5%
Oct-12	3,252	3,389	137	4.2%
Nov-12	3,161	3,325	165	5.2%
Dec-12	3,088	3,324	236	7.6%
Jan-13	3,030	3,353	323	10.7%

Caseload Change

The rapid decline in the MCS population from November 2011 through September 2012 produced a dramatic drop-off in this caseload, which appears to have leveled off.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2008	547	13.1%		4,725
2009	1,020	21.6%		5,745
2010	1,234	21.5%		6,979
2011	708	10.1%		7,687
2012	-2,417	-31.4%		5,270
2013	*-1,886*	*-35.8%*	*Forecast*	*3,384*
2014	*-31*	*-0.9%*		*3,353*
2015	*0*	*0.0%*		*3,353*

The Housing and Essential Needs caseload is expected to decline by 35.8 percent in fiscal year 2013, 0.9 percent in fiscal year 2014, and to be flat in fiscal year 2015.

Risks to the Forecast

The risks to this forecast are moderate, as it appears the decline in the MCS caseload has ended, but sufficient experience with the caseload trends of this program is still not available.

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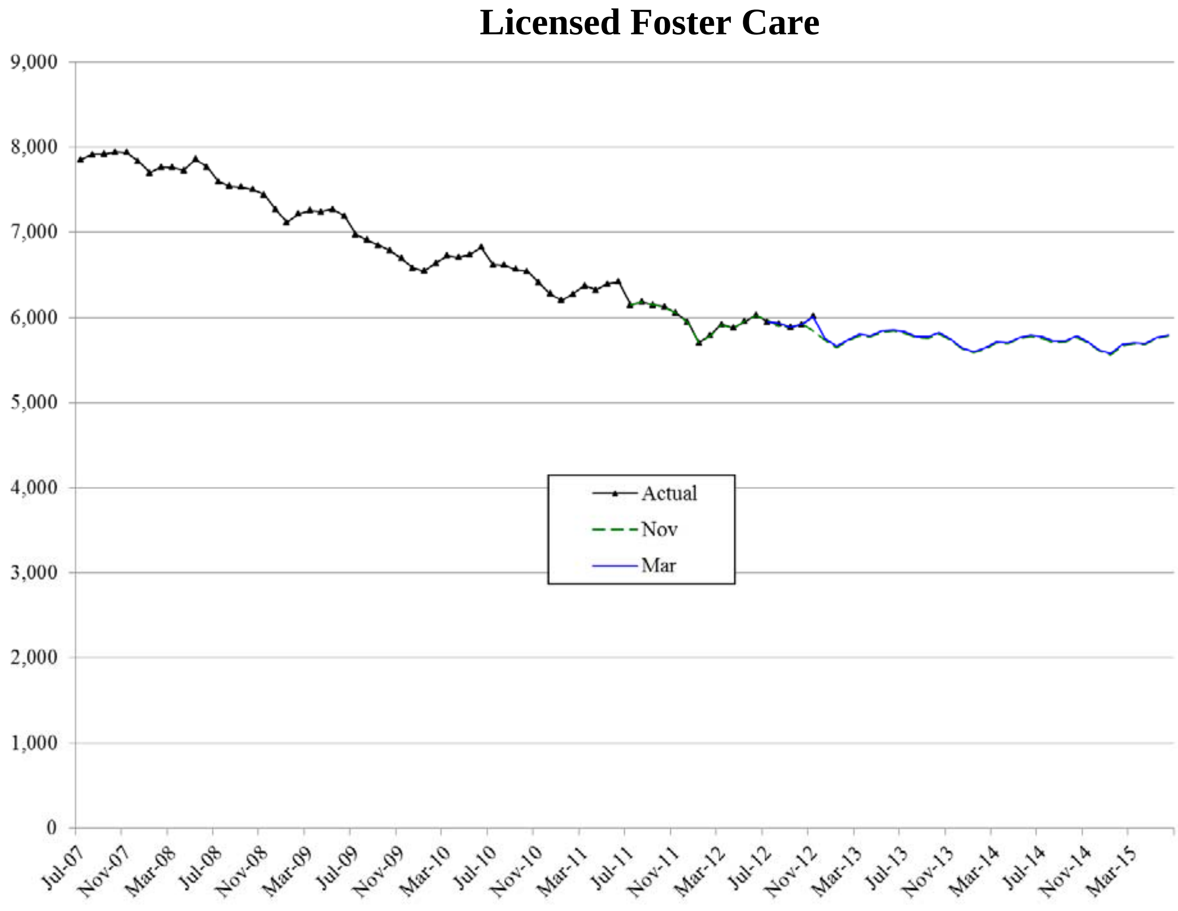
Children's Administration
Licensed Foster Care

Caseload Forecast Council
March 14, 2013



The Licensed Foster Care caseload is determined by the number of unique children in licensed foster care (Basic Foster Care/Receiving Care or Behavioral Rehabilitative Services) during a calendar month. Financial assistance for licensed foster care includes a monthly stipend, medical care, and a variety of additional services.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	5,824	5,846	22	0.4%
2014	5,723	5,736	13	0.2%
2015	5,702	5,715	13	0.2%

Over the last five years, the licensed foster care caseload has dropped from about 8,000 cases to about 6,000, a decline of 25 percent. This decline seems to have stalled, and the March forecast anticipates only minor reductions over the next few fiscal years.

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November Forecast Tracking

The Licensed Foster Care caseload has been tracking very close to the November forecast for the last several months, but was substantially higher in the last available data point. Given that one-month variations are quite common, the March forecast does not weight the impact of the last data point heavily.

Tracking the Current CA LFC Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	5,972	5,951	-21	-0.3%
Aug-12	5,897	5,933	36	0.6%
Sep-12	5,887	5,887	0	0.0%
Oct-12	5,929	5,921	-8	-0.1%
Nov-12	5,849	6,015	167	2.8%

Caseload Change

Licensed Foster Care caseloads declined from fiscal year 2008 through fiscal year 2011 as a result of a series of policy changes and initiatives directed at expediting adoptions and reducing out of home placements. The underlying primary trend of the caseload continues to decline although the rate of decline has dampened. The caseload is expected to decline by 2.8 percent in FY2013, 1.7 percent in FY 2014, and by 0.4 percent in FY 2015.

Licensed Foster Care Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2008	-80	-1.0%	Actual	7,831
2009	-482	-6.2%		7,349
2010	-601	-8.2%		6,748
2011	-328	-4.9%		6,420
2012	-428	-6.7%		5,992
2013	-168	-2.8%	*Forecast*	5,824
2014	-101	-1.7%		5,723
2015	-21	-0.4%		5,702

Risks to the Forecast

Risks to the Licensed Foster Care forecast are moderate. Initiatives to expedite adoptions and avoid out of home placements have reduced the foster care caseload. In addition, the Family Assessment Response (FAR) initiative will start to phase in as of December 2013, which may further reduce the caseload. On the other hand, the Extended Foster Care program has put upward pressure on the caseload. While all of these efforts continue, it may also be the case that the caseload has reached a natural “floor” that makes further declines more difficult.

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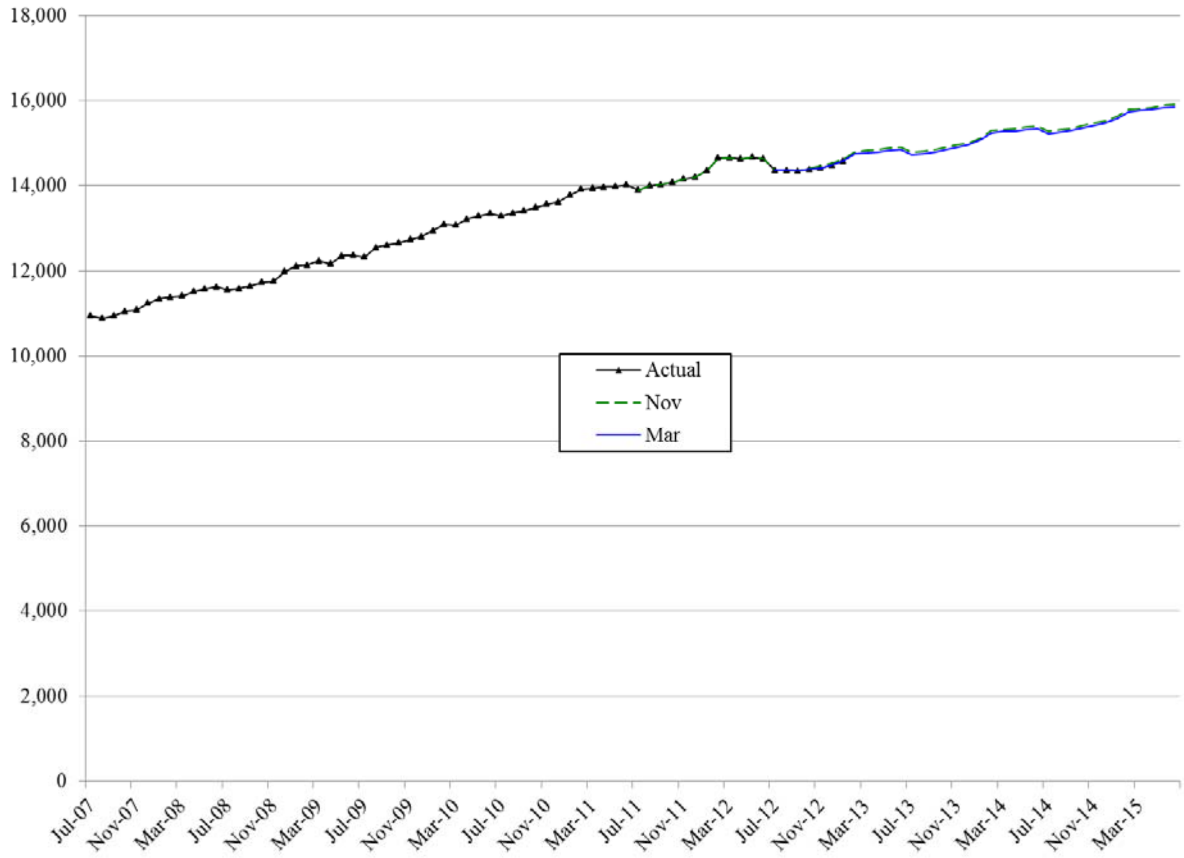
Children's Administration
Adoption Support

Caseload Forecast Council
March 14, 2013

Adoption Support – Maintenance Payments



The Adoption Support Maintenance Payment (ASMP) caseload forecast is a forecast of those eligible adoptions receiving monthly adoption support maintenance payments.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	14,615	14,579	-36	-0.2%
2014	15,096	15,044	-52	-0.3%
2015	15,602	15,550	-52	-0.3%

Historically, this caseload has grown at a steady rate. Recently the rate of growth has slowed, and the major reduction in the forecast adopted in November has proven to still be slightly higher than actual caseload results.

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November Forecast Tracking

Actual Adoption Support caseloads are tracking very close to the November forecast, running consistently about 0.4% below forecast.

Tracking the Current CA ASMP Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	14,365	14,369	4	0.0%
Aug-12	14,368	14,372	5	0.0%
Sep-12	14,358	14,352	-6	0.0%
Oct-12	14,414	14,392	-22	-0.2%
Nov-12	14,474	14,415	-60	-0.4%
Dec-12	14,527	14,487	-40	-0.3%
Jan-13	14,638	14,582	-56	-0.4%

Caseload Change

Growth in the Adoption Support caseload appears to have slackened over the last 24 months, a trend that was accounted for in the November forecast and confirmed over the last several months. Instead of experiencing regular annual growth between six and eight percent, growth in the range of three percent moving forward is more likely.

Adoption Support Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2003	789	12.0%	Actual	7,314
2004	1,001	13.7%		8,315
2005	810	9.7%		9,125
2006	759	8.3%		9,884
2007	668	6.8%		10,552
2008	610	5.8%		11,162
2009	733	6.6%		11,895
2010	991	8.3%		12,887
2011	812	6.3%		13,699
2012	594	4.3%		14,293
2013	*286*	*2.0%*	*Forecast*	*14,579*
2014	*465*	*3.2%*		*15,044*
2015	*506*	*3.4%*		*15,550*

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Risks to the Forecast

Risks to the Adoption Support forecast are minimal. A lower growth rate appears to have stabilized, and corresponds to the smaller pool of children in licensed foster care homes. The implementation of unified home studies may be artificially and temporarily slowing adoption rates somewhat, but the downward risk of continued slowing (perhaps abetted in the future by the implementation of Family Assessment Response) balances that possibility.

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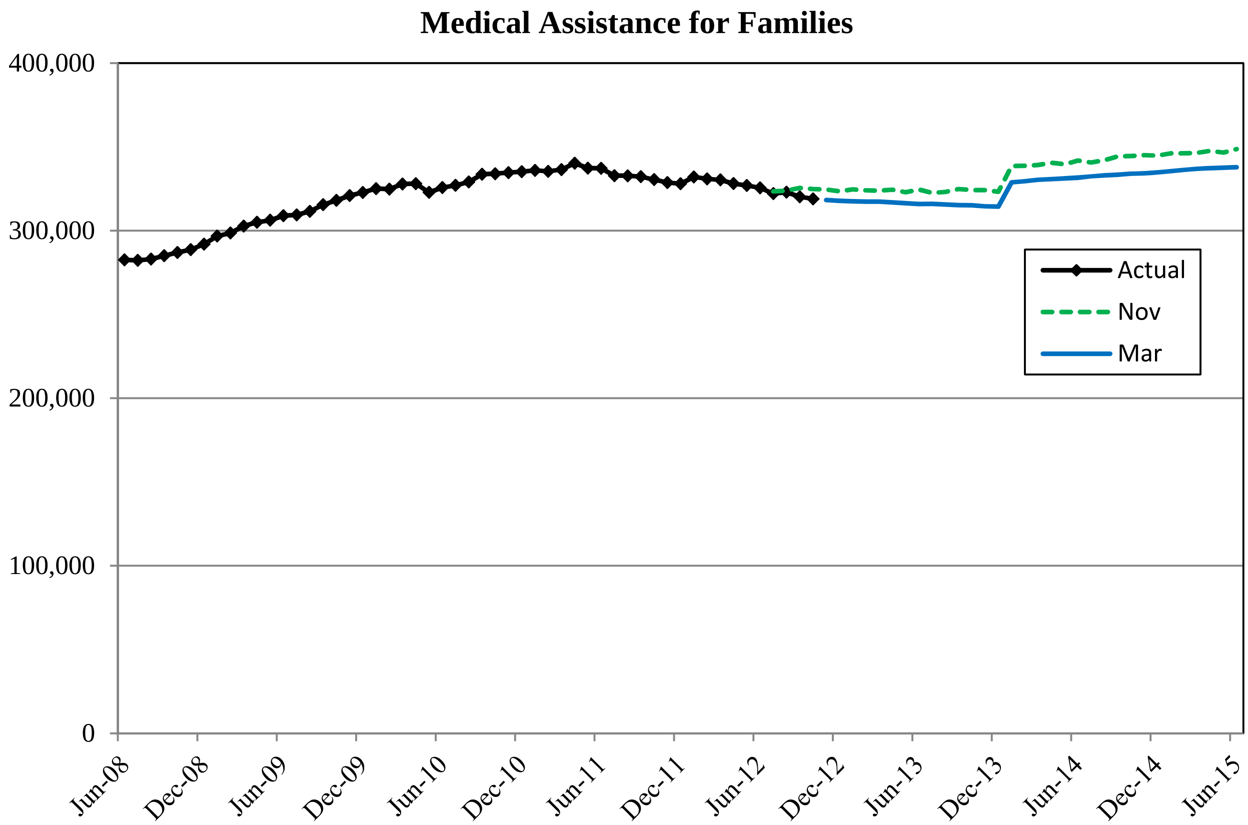
Medical Assistance Families

Caseload Forecast Council
March 14th, 2013



The Medical Assistance for Families forecast is composed of three component forecasts: Categorically Needy (CN) Family Medical (for adults and children eligible for TANF), Pregnant Women, and Refugee Services. The CN Family Medical caseload comprises 91 percent of this forecast category.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	324,171	318,431	-5,739	-1.8%
2014	331,685	322,724	-8,960	-2.7%
2015	345,241	335,237	-10,004	-2.9%

The March 2013 forecast is, on average, 9,482 cases or 2.8 percent lower than the November 2012 forecast for the 2013-15 Biennium. Most of the change is due to a downward revision to the CN Family Medical forecast. Entry rates continue to track lower than the long term historical averages, likely due to reductions in the TANF grant payment standard and a gradually improving economy.

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Both the November and March forecasts contain the impact the Affordable Care Act (ACA) implementation without the Medicaid Expansion to 138 percent FPL to be consistent with the 2013-15 Maintenance Level budget assumptions. Since the Supreme Court ruled the Medicaid Expansion optional for states, whether or not to expand to 138 percent of FPL is a decision for policy makers and therefore is not reflected in any of the maintenance level CFC forecasts.

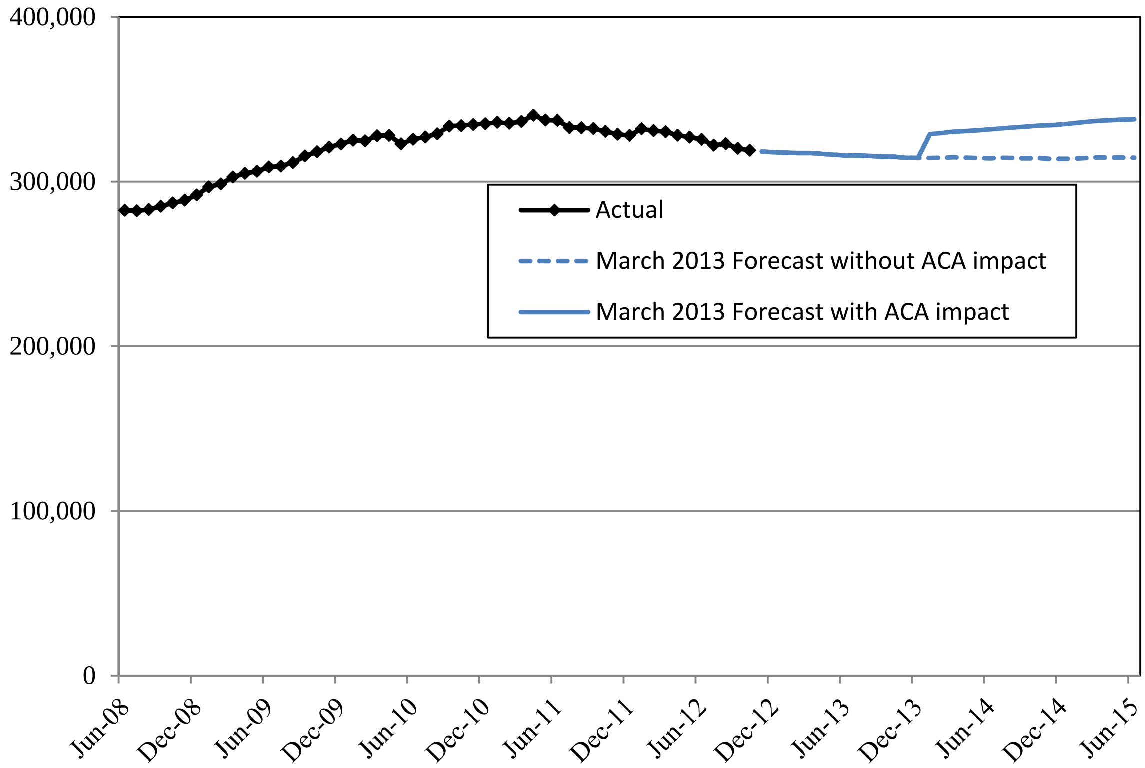
Even without the Medicaid Expansion, other components of the ACA, primarily the individual mandate and the "no wrong door" interface as part of the Health Benefit Exchange are expected to result in an increase to those currently eligible for CN Family Medical and Children's programs.

March 2013 Families Forecast Comparison with and without ACA Impact*

Fiscal Year	Mar-13 Forecast without ACA impact	Mar-13 Forecast with ACA impact	Difference	Percent Difference
2013	318,431	318,431	0	0.0%
2014	314,739	322,724	7,985	2.5%
2015	314,279	335,237	20,958	6.3%

******ACA Impact* refers to the impact on existing Medicaid caseloads as a result of all other aspects of the ACA except the Medicaid Expansion to 138% FPL, as the latter was ruled optional for states by the Supreme Court.

Medical Assistance for Families: Comparison with and without ACA impact



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The CN Family Medical caseload begins to increase in January 2014 with ACA implementation, and the enrollment phase-in of the 21,000 eligibles is quicker for those 9,300 coming from the uninsured pool or non-group insurance than those 11,700 coming from employer-sponsored insurance.

The March 2013 forecast also includes a step adjustment for the Take Charge Family Planning extension from 200 to 250 percent of the FPL. This expansion began in October 2012 and is expected to result in an average of 300 fewer clients or a 1.2 percent reduction to the CN Pregnant caseload for the 2013-15 Biennium.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	323,370	322,069	-1,301	-0.4%
Aug-12	323,859	322,952	-907	-0.3%
Sep-12	325,514	320,193	-5,321	-1.6%
Oct-12	324,778	318,970	-5,808	-1.8%

All of the current variance from the November 2012 forecast is due to CN Family Medical actuals tracking below forecast.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2009-2010	26,371	8.9%		321,042
2010-2011	13,626	4.2%		334,667
2011-2012	-4,768	-1.4%		329,900
2012-2013	*-11,468*	*-3.5%*	*Forecast*	*318,431*
2013-2014	*4,293*	*1.3%*		*322,724*
2014-2015	*12,513*	*3.9%*		*335,237*

Risks to the Forecast

The risk to the Families forecast is high, due to both the continued dampening of the growth in the CN Family Medical caseload and the impacts of the ACA starting in January 2014. The risks are both upward and downward because the CN Family Medical forecast is sensitive to changes in the economy, and projected impacts of the ACA could be over-stated or under-stated as they are based a multitude of assumptions including take-up rates from the uninsured and employer-sponsored insurance. Additionally, the outcome of the 2013 Legislative session and the numerous policy decisions to be made related to the ACA and the Medicaid Expansion introduce significant risk to this forecast.

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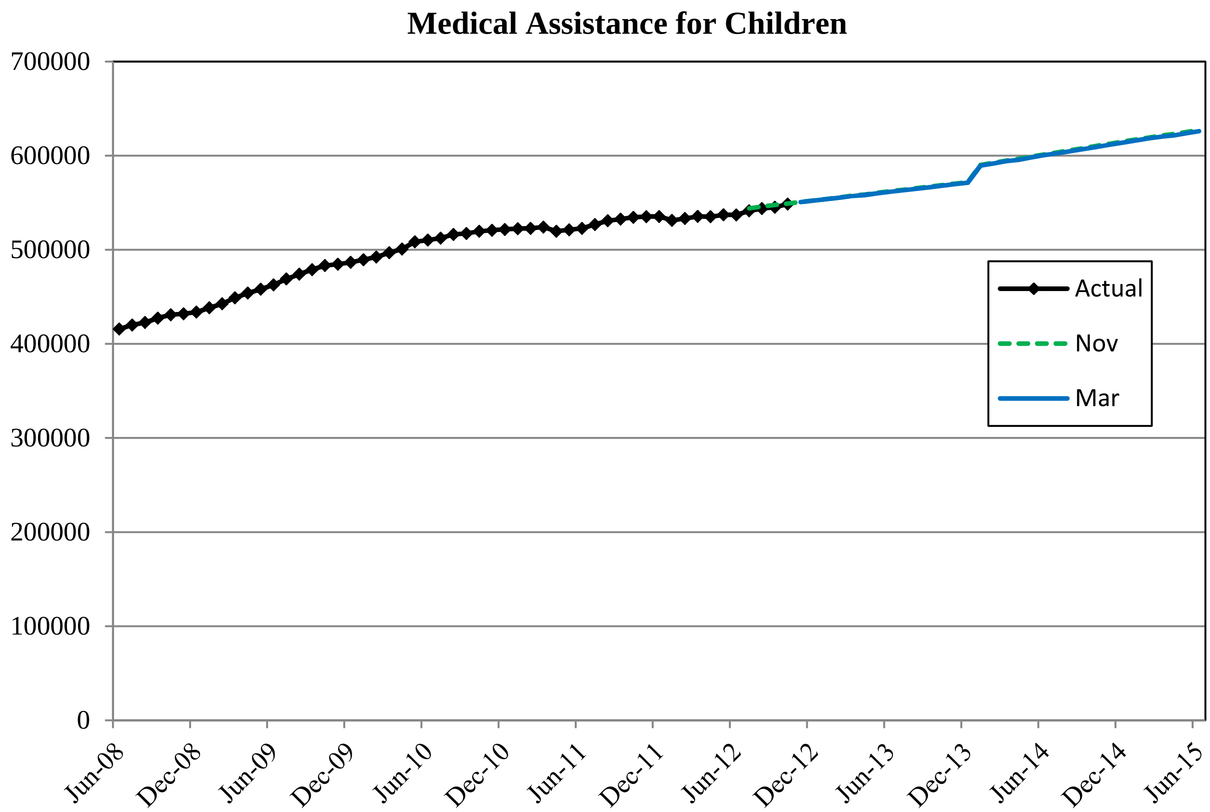
Medical Assistance

Children

Caseload Forecast Council
March 14th, 2013



The Medical Assistance for Children total forecast is composed of four individual forecasts: Categorically Needy (CN) Other Children, a Medicaid program for children below 200% of the Federal Poverty Level (FPL), the State Children's Health Program (SCHIP) for children between 200 and 300% of the FPL, the Children's Health Program (CHP) for undocumented children below 200% of the FPL, and the CHP above 200% of the FPL.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	553,200	552,305	-894	-0.2%
2014	581,772	581,082	-689	-0.1%
2015	615,598	614,499	-1,099	-0.2%

The March 2013 forecast is, on average, 894 cases or 0.1 percent lower than the November 2012 forecast for the 2013-15 Biennium. Both the November and March forecasts contain the impact the Affordable Care Act (ACA) implementation without the Medicaid Expansion to 138 percent FPL to be consistent with the 2013-15 Maintenance Level budget assumptions. Since the

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Supreme Court ruled the Medicaid Expansion optional for states, whether or not to expand to 138 percent of FPL is a decision for policy makers and therefore is not reflected in any of the CFC forecasts.

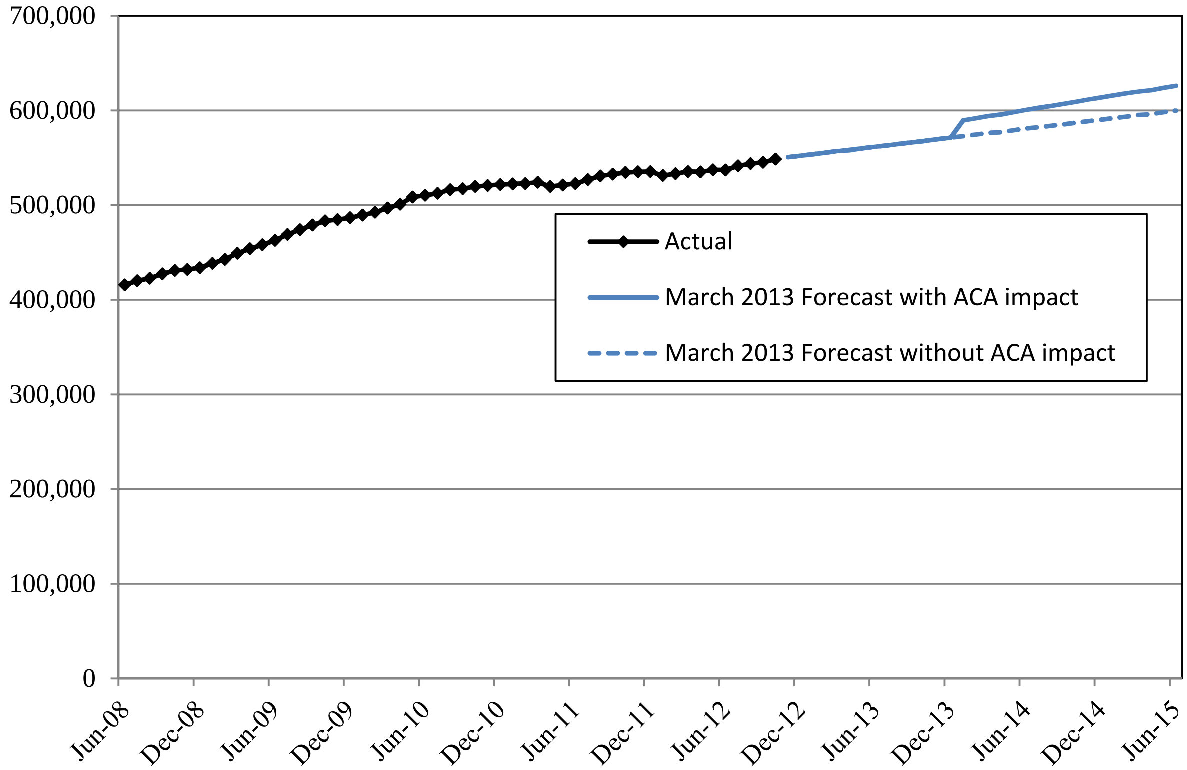
Even without the Medicaid Expansion, other components of the ACA, primarily the individual mandate and the "no wrong door" interface as part of the Health Benefit Exchange are expected to result in an increase to those currently eligible for CN Family Medical and Children's programs.

March 2013 Children Forecast Comparison with and without ACA Impact*

Fiscal Year	Mar-13 Forecast without ACA impact	Mar-13 Forecast with ACA impact	Difference	Percent Difference
2013	552,305	552,305	0	0.0%
2014	571,980	581,082	9,102	1.6%
2015	590,963	614,499	23,536	3.8%

***ACA Impact** refers to the impact on existing Medicaid caseloads as a result of all other aspects of the ACA except the Medicaid Expansion to 138% FPL, as the latter was ruled optional for states by the Supreme Court.

Medical Assistance for Children: Comparison with and without ACA impact



The Children caseload begins to increase in January 2014 with ACA implementation, and the enrollment phase-in of the 23,540 eligibles is quicker for those 12,460 coming from the

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uninsured pool or non-group insurance than those 11,080 coming from employer-sponsored insurance.
The March 2013 forecast also includes a step adjustment for the Take Charge Family Planning extension from 200 to 250 percent of the FPL. This expansion began in October 2012 and is expected to result in an average of around 280 fewer births or a 0.1 percent reduction to the CN Children caseload for the 2013-15 Biennium.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	543,986	541,367	-2,619	-0.5%
Aug-12	545,950	543,724	-2,226	-0.4%
Sep-12	547,579	545,206	-2,373	-0.4%
Oct-12	549,187	548,518	-669	-0.1%

The Children's total forecast has continued to track well for the last few forecast cycles. The improved accuracy of this forecast may be due to recent changes in methodology, in which four component forecasts are rolled up into one single forecast. This allows for the isolation of different trends among sub-populations such as the newborn to one year olds, adoption support, and the higher and lower income groups within this large caseload.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2009-2010	50,254	11.4%		489,532
2010-2011	30,525	6.2%		520,057
2011-2012	13,629	2.6%		533,686
2012-2013	*18,620*	*3.5%*	*Forecast*	*552,305*
2013-2014	*28,777*	*5.2%*		*581,082*
2014-2015	*33,417*	*5.8%*		*614,499*

Risks to the Forecast

Risks to the Children's forecast are high, as projected impacts of the ACA could be over-stated or under-stated as they are based on a multitude or assumptions including take-up rates from the uninsured and employer-sponsored insurance. Additionally, the outcome of the 2013 Legislative session and the numerous policy decisions to be made related to the ACA and the Medicaid Expansion introduce significant risk to this forecast.

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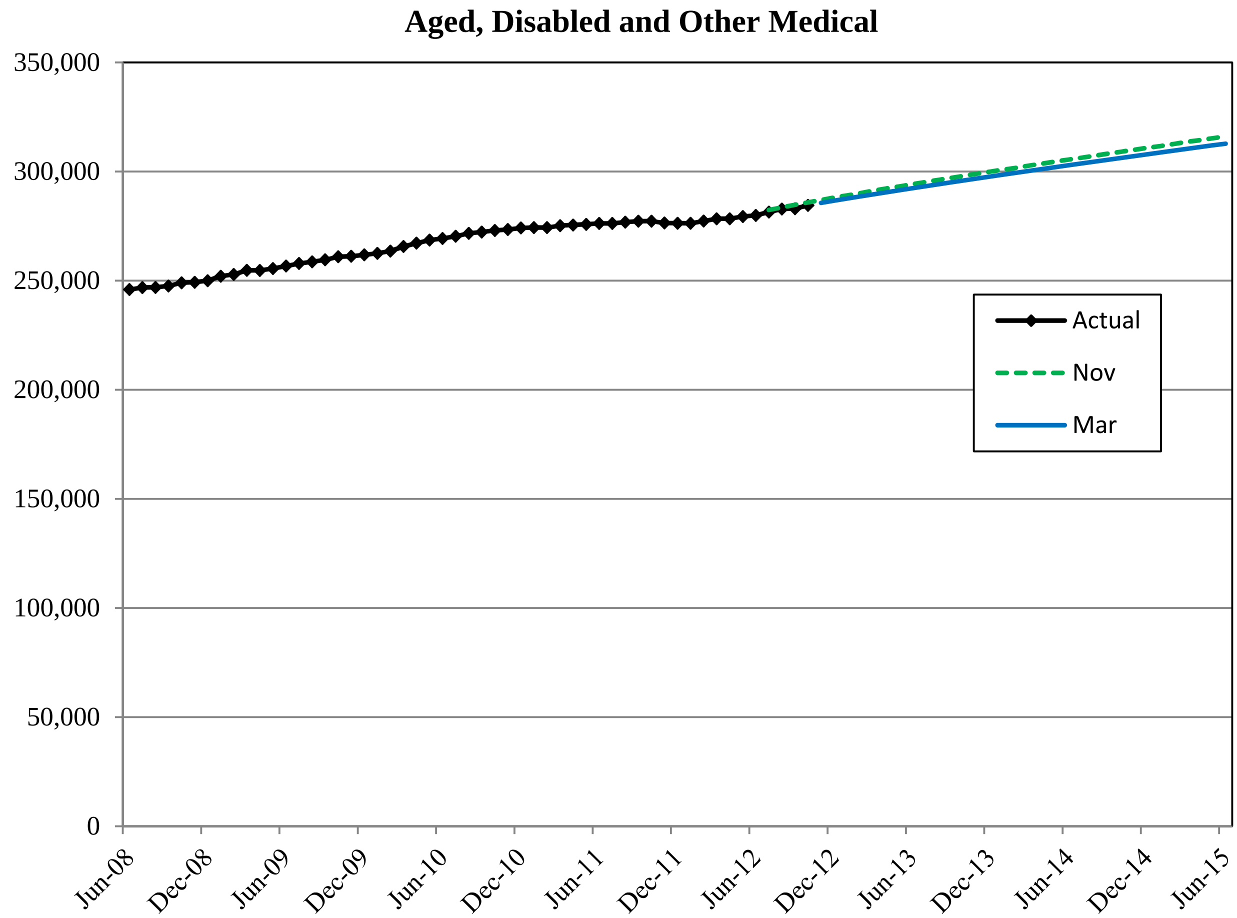
Medical Assistance
Aged, Disabled and Other Medical

Caseload Forecast Council
March 14th, 2013



The forecast for Aged, Disabled and Other Medical is composed of eleven component forecasts: Categorically Needy (CN) Aged, CN Disabled, Medically Needy (MN) Aged, MN Disabled, Breast and Cervical Cancer Treatment (BCCT), Healthcare for Workers with Disabilities (HWD), Qualified Medicare Beneficiaries (QMB), MCS Disability Lifeline Waiver, MCS ADATSA Waiver, MCS Alien Medical, and Alien Emergency Medical (AEM).

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	288,474	287,032	-1,442	-0.5%
2014	300,415	298,168	-2,247	-0.7%
2015	311,301	308,332	-2,969	-1.0%

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The March 2013 forecast is, on average, 2,608 cases or 0.9 percent lower than the November 2012 forecast for the 2013-15 Biennium. The lower overall forecast is the result of downward revisions to the CN and MN Disabled, MCS DL Waiver, and AEM forecasts that are somewhat offset by upward revisions to the CN Aged and MCS Alien forecasts. The BCCT, HWD, MN Aged, MCS ADATSA Waiver, and QMB forecasts were unchanged from November 2012 to the March 2013 forecast.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Jul-12	282,387	281,446	-941	-0.3%
Aug-12	283,605	282,838	-767	-0.3%
Sep-12	284,745	283,010	-1,734	-0.6%
Oct-12	285,850	284,548	-1,302	-0.5%

While the eleven caseloads in this category exhibit offsetting variances, the largest driver of the negative variance from the November 2012 forecast is the CN Blind/Disabled caseload.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2009-2010	11,724	4.7%		263,079
2010-2011	10,780	4.1%		273,859
2011-2012	3,640	1.3%		277,498
2012-2013	*9,534*	*3.4%*	*Forecast*	*287,032*
2013-2014	*11,136*	*3.9%*		*298,168*
2014-2015	*10,164*	*3.4%*		*308,332*

Risks to the Forecast

Risks to the total Aged, Disabled, and Other Medical forecasts are lower than the Families and Children categories since none of the programs in this category are affected by the ACA under the “No Medicaid Expansion” scenario, and most are not impacted by the “Medicaid Expansion” option. However, some of the clients in this category will not be eligible for federal funds under the Medicaid Expansion option. Others, namely the MCS Transitional Bridge Waiver (Disability Lifeline and ADATSA) populations will be classified as “New Eligibles” under the Medicaid Expansion option. So while the risks to the individual forecasts are low, the composition of the forecasts may change as a result of ACA-related policy decisions during the 2013 legislative session.

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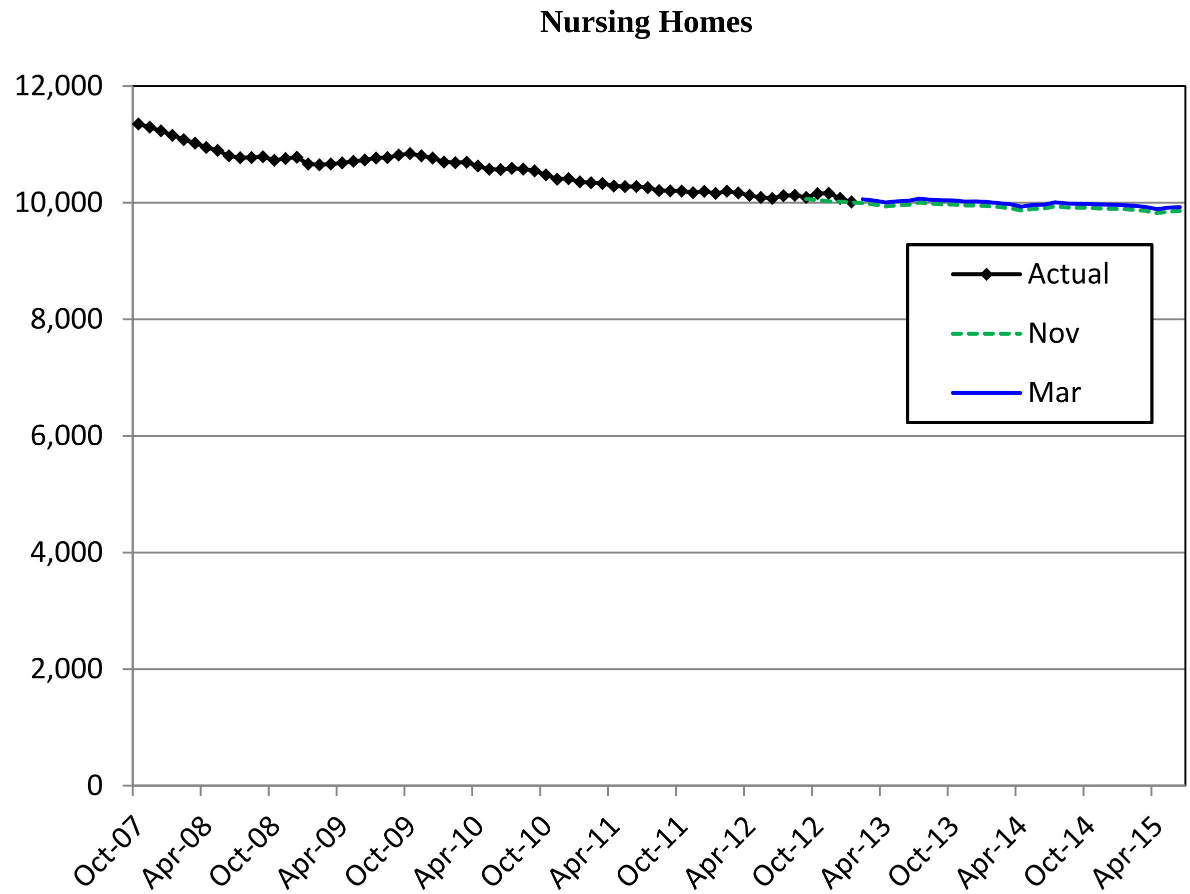
Long Term Care
Nursing Homes

Caseload Forecast Council
March 14th, 2013



The Nursing Homes forecast consists of Medicaid eligible clients who receive care in state licensed nursing facilities. Nursing facilities provide care to eligible clients who require short post-hospital, recuperative care, are no longer capable of independent living and require nursing services, or are patients with chronic disabilities needing long-term rehabilitation and/or medical services.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	10,018	10,074	56	0.6%
2014	9,939	10,006	67	0.7%
2015	9,886	9,953	67	0.7%

The March 2013 forecast is 67 cases or 0.7 percent higher than the November 2012 forecast for the 2013-15 Biennium.

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Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Sep-12	10,061	10,091	30	0.3%
Oct-12	10,047	10,155	108	1.1%
Nov-12	10,024	10,163	139	1.4%
Dec-12	10,019	10,073	54	0.5%
Jan-13	10,007	10,013	6	0.1%

This revision from the November 2012 forecast reflects a minor upward adjustment to the baseline trend to reflect the average tracking of actuals against the November 2012 forecast to date.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2009-2010	-7	-0.1%		10,719
2010-2011	-312	-2.9%		10,406
2011-2012	-235	-2.3%		10,171
2012-2013	*-97*	*-0.9%*	*Forecast*	*10,074*
2013-2014	*-68*	*-0.7%*		*10,006*
2014-2015	*-53*	*-0.5%*		*9,953*

The March 2013 forecast projects the nursing homes caseload to decline but at a diminishing rate of decline through the 2013-15 Biennium, consistent with the last two years of historical caseload decline.

Risks to the Forecast

While the risks to the nursing homes forecast are moderate, risks to the total Long Term Care forecast overall are fairly low. Since participation in Long Term Care services is fairly stable as a percentage of the total elderly population, future variances in the nursing homes caseload are likely to be somewhat offset by variances in the opposite direction for home and community services.

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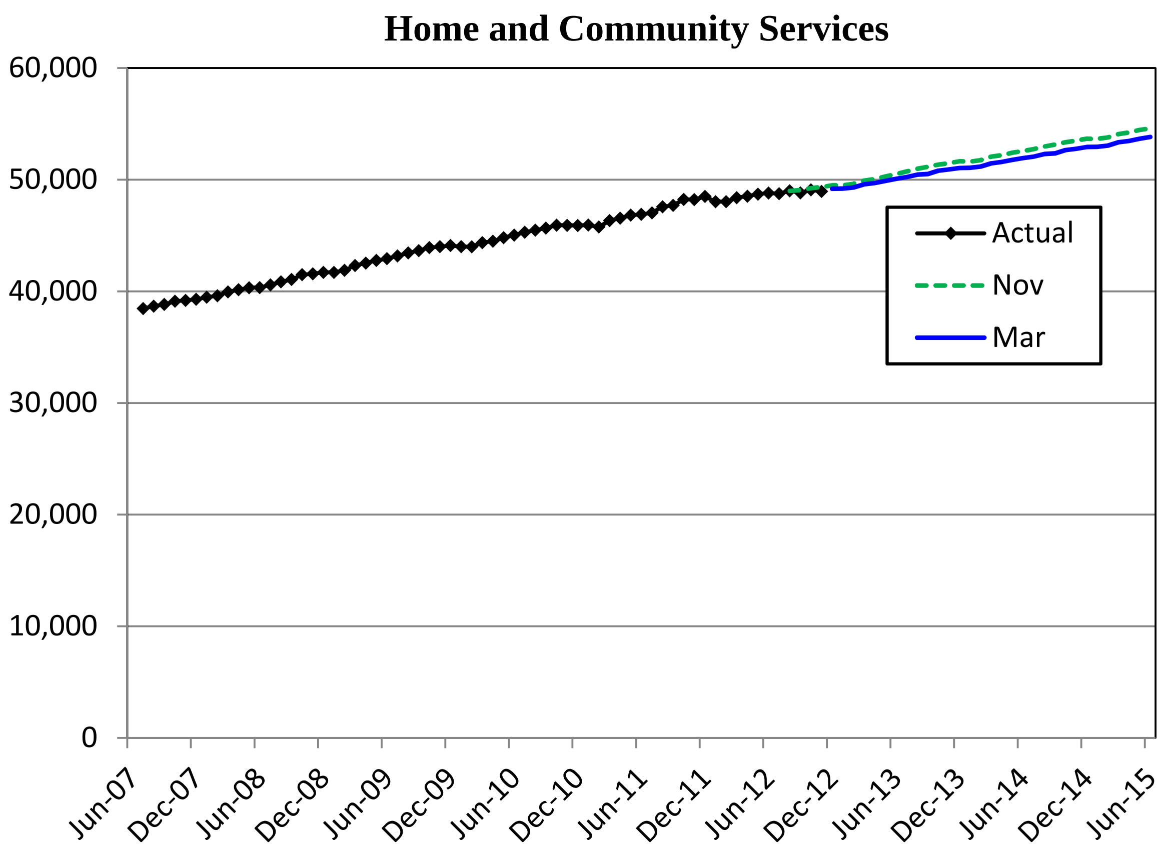
Long Term Care

Home and Community Services (HCS)

Caseload Forecast Council
March 14th, 2013



The Home and Community Services (HCS) forecast is comprised of in-home, residential, and managed care caseload forecasts. The in-home category comprises 73 percent of the total and the in-home individual provider caseload is the largest of the nine caseloads that comprise the HCS total.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	49,563	49,293	-270	-0.5%
2014	51,662	51,076	-587	-1.1%
2015	53,679	52,945	-734	-1.4%

The March 2013 forecast is, on average, 660 cases or 1.3 percent lower than the November 2012 forecast for the 2013-15 Biennium.

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The forecasts for the five largest caseloads employ forecast methodologies that factor in changes in the aging population. The two in-home forecasts (agency and individual provider) are "participation rate" models that are aggregations of seven individual forecasts by age group. Since the residential caseloads (adult family homes, adult residential care, assisted living) are more subject to capacity constraints than the in-home caseloads, entry / exit models were chosen, with entry rates calculated as a percentage of the 75-plus population.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Aug-12	48,992	49,008	16	0.0%
Sep-12	49,072	48,814	-258	-0.5%
Oct-12	49,238	49,091	-148	-0.3%
Nov-12	49,344	48,943	-400	-0.8%

Almost all of the variance for the Home and Community Services total is due to variances in the individual provider caseload, which has witnessed a significant slowdown in growth since January 2012 when the first provisions of Initiative 1163 were implemented. This initiative increased financial, training, and certification obligations in addition to a more robust background check process.

Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2009-2010	2,301	5.5%		44,080
2010-2011	1,958	4.4%		46,038
2011-2012	2,104	4.6%		48,143
2012-2013	*1,150*	*2.4%*	Forecast	*49,293*
2013-2014	*1,783*	*3.6%*		*51,076*
2014-2015	*1,869*	*3.7%*		*52,945*

Risks to the Forecast

Risks to most of the home and community forecasts are fairly low. However, risks to the individual provider forecast are high as the implementation of I-1163 brings continued volatility to the forecast.

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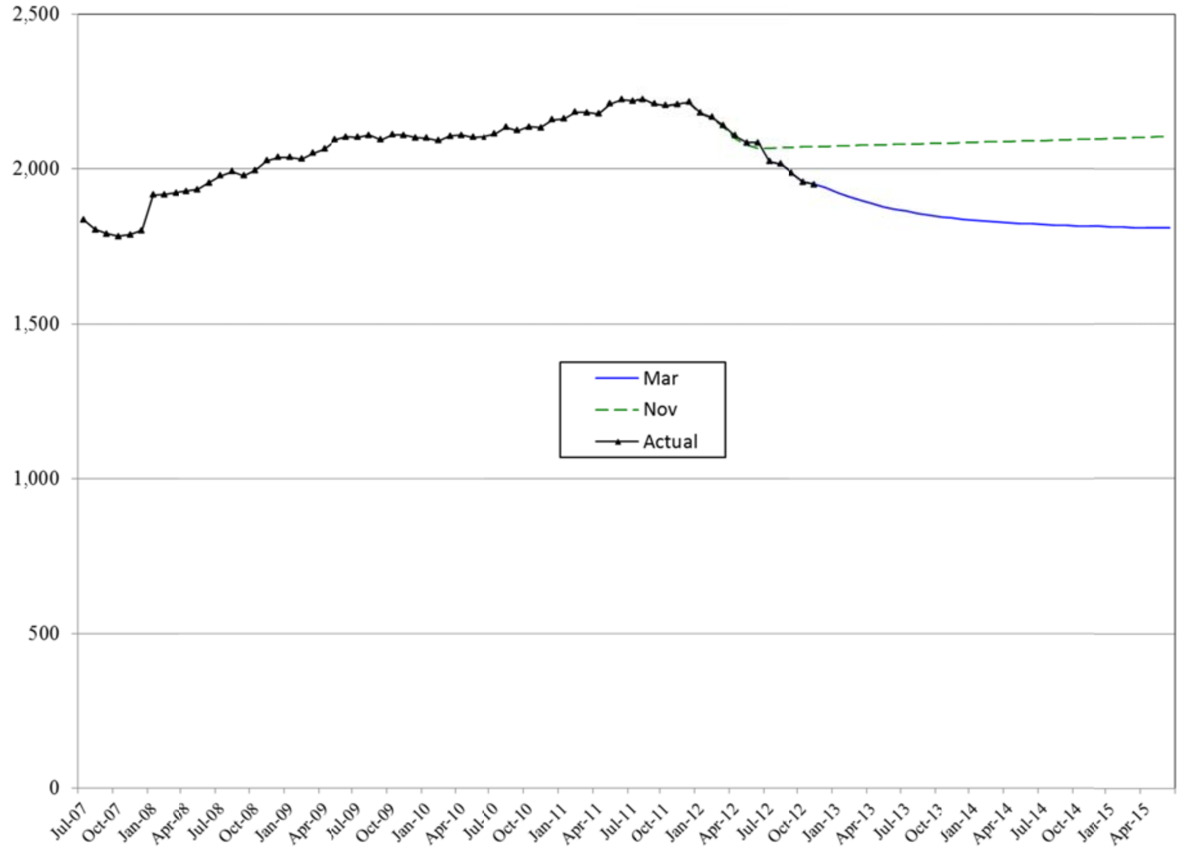
Division of Developmental Disabilities
Medicaid Personal Care (MPC)

Caseload Forecast Council
March 14, 2013

MPC Children (DDD and CA)



The Medicaid Personal Care (MPC) Children caseload includes children on the regular DDD caseload receiving MPC services and children on the Specialized MPC caseload (those children who historically would have received MPC from the Children's Administration).

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	2,074	1,937	-137	-6.6%
2014	2,086	1,838	-247	-11.9%
2015	2,098	1,813	-285	-13.6%

Historically, this caseload has grown at a steady rate. However, after being flat in the second half of 2011, the caseload has steadily declined over the course of 2012. The decline can primarily be attributed to two factors: implementation of I-1163, which has placed new financial, security, training and testing requirements on service providers, and a reassessment of clients based on an updated assessment tool, which has effectively tightened standards.

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November Forecast Tracking

Contrary to expectations in the November forecast, the DD Children caseload has continued to decline since peaking in December 2011. The last month of data is about six percent below the November forecast.

Tracking the Current DD Children Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
May-12	2,077	2,085	7	0.4%
Jun-12	2,067	2,085	18	0.9%
Jul-12	2,068	2,024	-44	-2.1%
Aug-12	2,069	2,016	-53	-2.5%
Sep-12	2,070	1,986	-84	-4.1%
Oct-12	2,071	1,958	-113	-5.5%
Nov-12	2,072	1,950	-122	-5.9%

Caseload Change

Given almost a year of consistent declines, it appears that the new status quo for this caseload is a much lower ongoing caseload. The decline in the caseload should taper off through the rest of this fiscal year and next biennium.

Children Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2008			Actual	1,864
2009	169	9.1%		2,033
2010	71	3.5%		2,103
2011	59	2.8%		2,162
2012	9	0.4%		2,171
2013	*-235*	*-10.8%*	*Forecast*	*1,937*
2014	*-99*	*-5.1%*		*1,838*
2015	*-25*	*-1.4%*		*1,813*

Risk to the Forecast

Risks to this forecast are very high. It is difficult to assign attribution for the level of decline in this caseload. Moving forward, the factors that are driving the caseload down could prove temporary, allowing the caseload to rebound, or more permanent, driving the caseload even lower over time.

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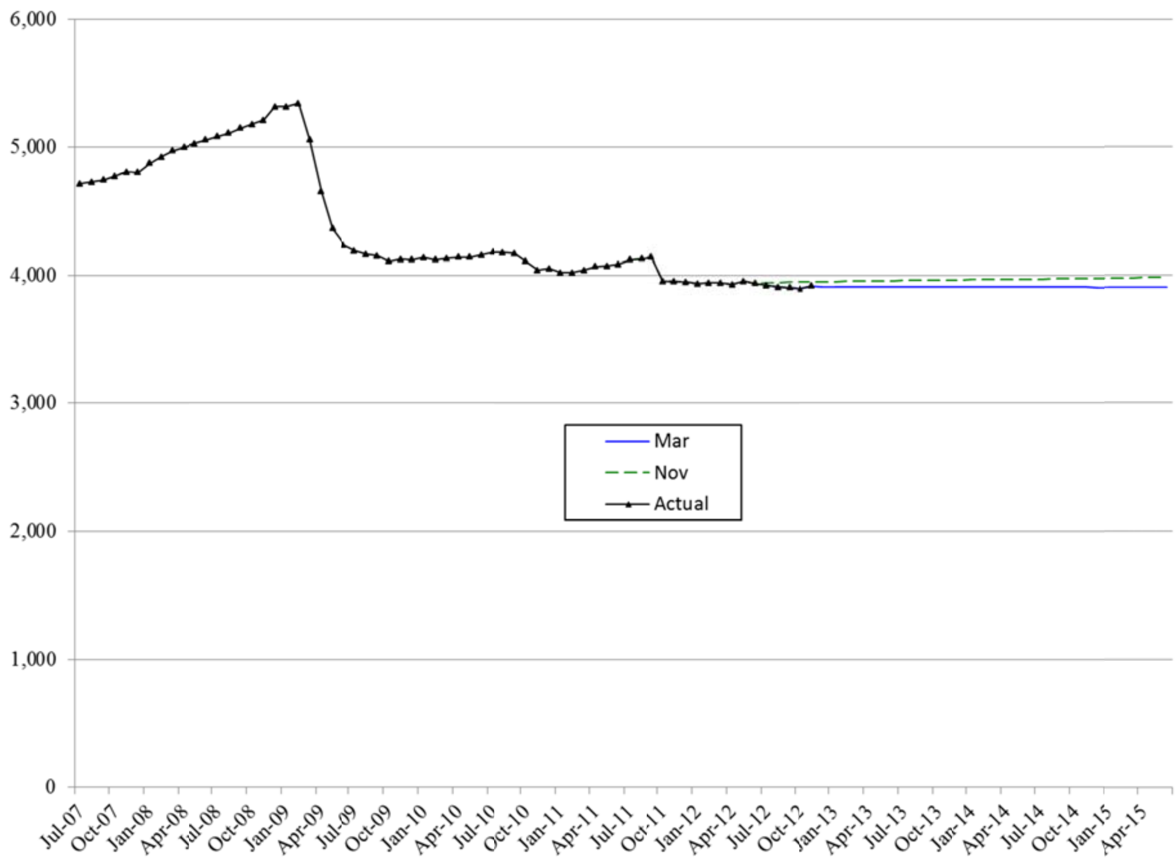
Division of Developmental Disabilities
Medicaid Personal Care (MPC)

Caseload Forecast Council
March 14, 2013

MPC Adults



The MPC Adults forecast is the sum of the Agency Provider, Individual Provider, Adult Family Homes and Adult Residential Care forecasts.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	3,952	3,909	-43	-1.1%
2014	3,965	3,908	-57	-1.4%
2015	3,976	3,907	-70	-1.8%

Twice in the last four years the Legislature has directed the transition of state-only employment and day clients from MPC to the Waiver program to capture allowable federal funding. More recently, the 2011-13 operating budget directed the movement of Adult Day Health services from the Developmental Disabilities to the Long-Term Care, a shift which occurred in October 2011. Since then, the caseload has been extremely stable.

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November Forecast Tracking

Over the last five months the MPC Adults caseload has been running about one percent lower than the November forecast.

Tracking the Current DD MPC Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
May-12	3,953	3,953	0	0.0%
Jun-12	3,936	3,939	3	0.1%
Jul-12	3,945	3,920	-24	-0.6%
Aug-12	3,946	3,909	-37	-0.9%
Sep-12	3,947	3,906	-41	-1.0%
Oct-12	3,949	3,896	-53	-1.3%
Nov-12	3,950	3,917	-33	-0.8%

Caseload Change

Over the last year there has been very little change in both the overall MPC caseload and its component caseloads. There is little reason to expect a change in this trend moving forward.

MPC Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2008			Actual	4,869
2009	134	2.7%		5,003
2010	-862	-17.2%		4,141
2011	-55	-1.3%		4,086
2012	-96	-2.3%		3,990
2013	*-81*	*-2.0%*	*Forecast*	*3,909*
2014	*0*	*0.0%*		*3,908*
2015	*-2*	*0.0%*		*3,907*

Risk to the Forecast

Risks to the MPC caseload forecast are low. This caseload has shown little propensity to vary dramatically under current legislative, program and exogenous conditions.

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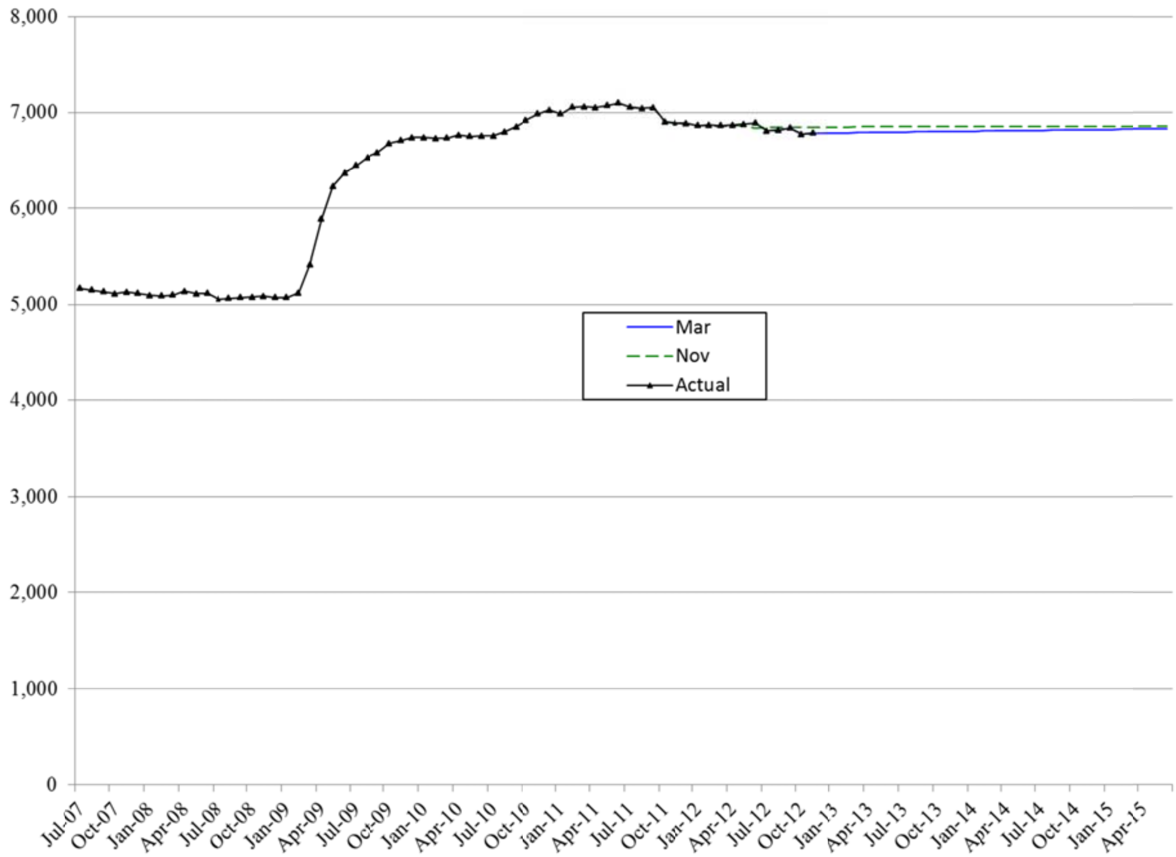
Division of Developmental Disabilities

Caseload Forecast Council
March 14, 2013

Waiver Clients Receiving Personal Care Services
(Unofficial Courtesy Forecast)



The Department offers services under five targeted waivers authorized by the Centers for Medicare and Medicaid Services (CMS) – *Basic, Basic Plus, Core, Community Protection* and *CIIBS* - each with specific limits on benefits, services and enrollees. Personal care is offered as a waiver service to enrollees who would not otherwise be eligible for state plan Medicaid Personal Care. Enrollees are placed on the waiver that best meet their current needs.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-12 Forecast	Mar-13 Forecast	Nov to Mar Difference	Percent Difference
2013	6,851	6,798	-53	-0.8%
2014	6,854	6,806	-47	-0.7%
2015	6,856	6,824	-32	-0.5%

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In the past four years, two legislative policy changes have increased the Waiver caseload (in 2009 and 2010). A third change lowered the caseload in the fall of 2011. Outside of these policy shifts, the caseload has been very stable, reflecting the number of available waiver slots.

November Forecast Tracking

Over the last three months, the DD Waiver caseload has been running about 1.9 percent below the February forecast.

Tracking the Current DD Waiver Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
May-12	6,866	6,880	13	0.2%
Jun-12	6,842	6,893	52	0.8%
Jul-12	6,850	6,809	-41	-0.6%
Aug-12	6,850	6,820	-31	-0.4%
Sep-12	6,851	6,840	-10	-0.2%
Oct-12	6,851	6,776	-75	-1.1%
Nov-12	6,851	6,787	-64	-0.9%

Caseload Change

Outside of program and legislative changes, the DD Waiver caseload tends to remain constant (reflecting the number of waiver slots available). The forecast assumes no further changes, meaning the wavier caseload should remain stable at about 6,800.

Waiver Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2008			Actual	5,125
2009	255	5.0%		5,380
2010	1,301	24.2%		6,681
2011	294	4.4%		6,975
2012	-50	-0.7%		6,924
2013	*-126*	*-1.8%*	*Forecast*	*6,798*
2014	*8*	*0.1%*		*6,806*
2015	*18*	*0.3%*		*6,824*

Risk to the Forecast

Risks to the Waiver caseload forecast are extremely low. Outside of program and legislative changes, the Waiver caseload should remain stable over time.

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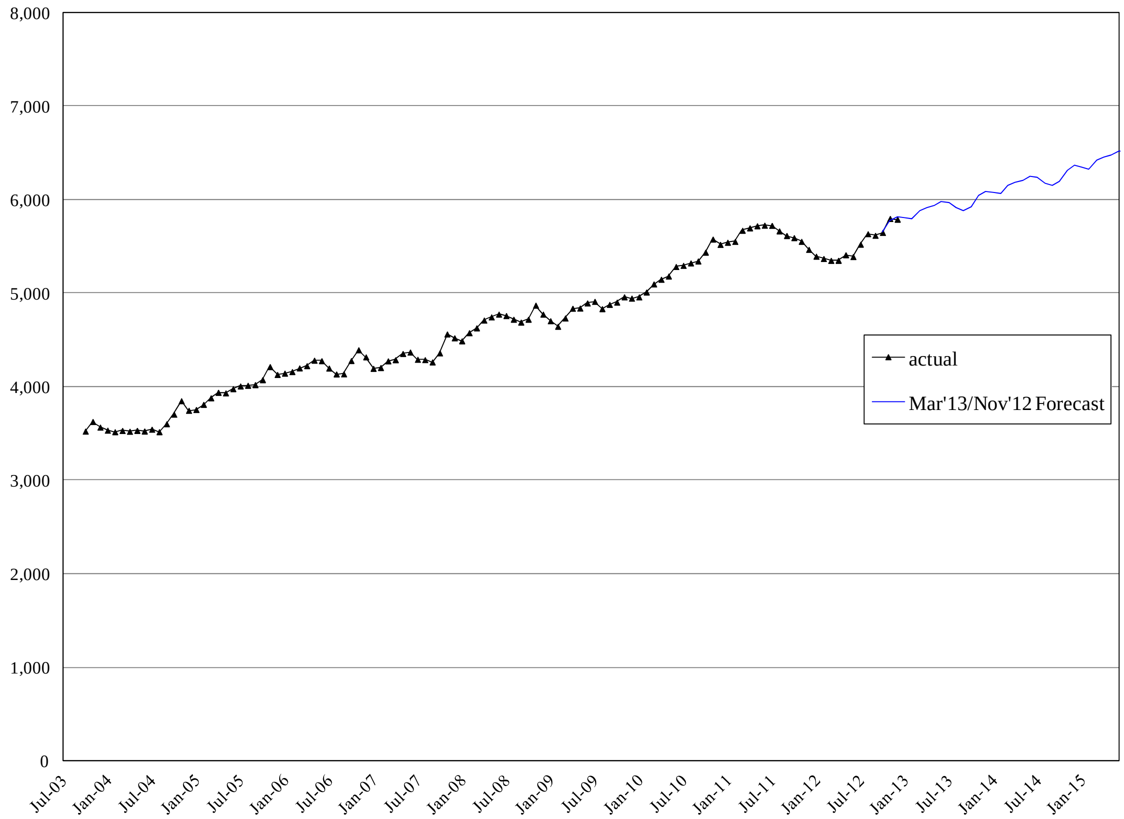
Department of Early Learning

Early Support for Infants and Toddlers (ESIT)

Caseload Forecast Council
March 14, 2013

Early Support for Infants and Toddlers (ESIT)
(Unofficial Courtesy Forecast)



Forecast Comparisons (Fiscal Year Averages)

Fiscal	Nov-12	Mar-13	Nov to Mar	Percent
2013	5,777	5,775	-2	0.0%
2014	6,061	6,061	0	0.0%
2015	6,330	6,330	0	0.0%

The Washington State Early Support for Infants and Toddlers program (ESIT) coordinates and provides services for eligible infants and toddlers. To be eligible, a child must have a 25 percent delay or show a 1.5 standard deviation below his or her age in one or more of the developmental areas. A child may also be eligible if he or she has a physical or mental condition such as Down syndrome that is known to cause a delay in development.

ESIT is located within the Department of Early Learning (DEL) and works in collaboration with the Office of Superintendent of Public Instruction (OSPI), the Department of Health (DOH), Department of Social and Health Services (DSHS), and the Department of Services for the Blind (DSB), to maintain a statewide system of early intervention services for children.

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The ESIT system in each county is directed by the Local Lead Agency under the authority of DEL Contracts. The local early intervention system is a collaborative program of child and family-serving agencies including schools, health and human services, families, and other community providers and organizations. Each geographic area through coordination by the ESIT Local Lead Agency must maintain a County Interagency Coordinating Council to assure coordinated, collaborative, and comprehensive services.

The program helps families with infants and toddlers connect with resources they need. The program provides service coordination and ongoing specialized services to families of eligible children (age birth to three) with disabilities and developmental delays. When a child is identified with a developmental delay, the necessary early intervention services are identified through family resources coordination. Implementation and funding of services for each child and family are delivered as defined on an Individualized Family Service Plan (IFSP). The IFSP is developed by the child's family and a team of professionals and includes outcomes, services, and methods to assist parents/primary caregivers to support the development of the child.

The Early Support for Infants and Toddlers caseload is defined as the number of children with active Individualized Family Service Plans (IFSPs) as of the last day of the month.

The Caseload Forecast Council added the ESIT forecast to its portfolio of forecasts at its November 2008 meeting. The March 2009 forecast was the first CFC forecast of this caseload.

The legislature in the 2010 legislative session passed legislation to transfer the ESIT program administration from DSHS to the Department of Early Learning. The program was renamed the Early Support for Infants and Toddlers Program (ESIT). The effective date of the change was July 1, 2010. The November 2010 forecast is the first forecast since the program was transferred from the DSHS Division of Developmental Disabilities to the Department of Early Learning.

Tracking the Current Forecast

	Nov-12 Forecast	Actual	Variance	Percent Variance
Oct-12	5,658	5,647	-11	-0.2%
Nov-12	5,773	5,796	23	0.4%
Dec-12	5,819	5,788	-31	-0.5%

<u>March Forecast</u>

The November 2012 forecast is tracking well and there is no change between the November 2012 and the March 2013 forecast.

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Early Support for Infants and Toddlers (ESIT) Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change		Caseload
2005-2006	374	9.9%	Actual	4,145
2006-2007	116	2.8%		4,261
2007-2008	256	6.0%		4,517
2008-2009	248	5.5%		4,764
2009-2010	244	5.1%		5,008
2010-2011	524	10.5%		5,533
2011-2012	-44	-0.8%		5,489
2012-2013	*287*	*5.2%*	*Forecast*	*5,775*
2013-2014	*286*	*4.9%*		*6,061*
2014-2015	*269*	*4.4%*		*6,330*

Risks to the Forecast

Risks to the ESIT forecast are moderate.

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